



CODELCO – CHILE

Interim Unaudited Consolidated Financial Statements as of June 30, 2012

(Translation of interim unaudited consolidated financial statements originally issued in Spanish – see Note I.2)

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(Translation of interim unaudited consolidated financial statements originally issued in Spanish – see Note I.2)

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CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of June 30, 2012 and December 31, 2011
(In thousands of US dollars - ThUS\$)

(Translation of interim unaudited consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	6/30/2012	12/31/2011
Assets			
Current Assets			
Cash and cash equivalents	1	672,140	1,382,876
Other current financial assets	12	29,148	193,237
Other currents non-financial assets		33,343	36,413
Trade and other current receivables	2	1,918,550	1,968,269
Accounts receivables due from related companies, current	3	51,676	56,357
Inventory	4	2,536,594	2,014,838
Current tax assets	6.a	251,808	254,930
Total current assets		5,493,259	5,906,920
Non-current assets			
Other non-current financial assets	12	139,063	102,593
Other non-current non-financial assets	11	203,943	203,950
Non-current receivables	2	135,094	132,721
Accounts receivables due from related companies, non-current	3	56,453	75,860
Investment accounted for using the equity method	9	1,088,902	945,055
Intangible assets other than goodwill		12,538	12,292
Goodwill		833	-
Property, Plant and Equipment, net	8	14,245,518	13,437,764
Investment property		17,789	17,789
Total non-current assets		15,900,133	14,928,024
TOTAL ASSETS		21,393,392	20,834,944

The accompanying notes form an integral part of these interim unaudited consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2012 and December 31, 2011

(In thousands of US dollars - ThUS\$)

(Translation of interim unaudited consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	6/30/2012	12/31/2011
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	13	1,474,823	1,643,424
Trade and other current payables	16	1,477,056	1,782,459
Accounts payables to related companies, current	3	117,674	126,850
Other current provisions	17	202,892	210,514
Current tax liabilities	6.b	116,622	137,267
Current employee benefit accruals	17	344,161	459,251
Other current non- financial liabilities		86,919	56,317
Total current liabilities		3,820,147	4,416,082
Non-current liabilities			
Other non-current financial liabilities	13	6,620,392	6,395,154
Other non-current payables		46	319
Accounts payables to related companies, non-current	3	293,328	308,616
Other non-current provisions and accrued expenses	17	1,013,312	1,013,441
Deferred tax liabilities	5	1,687,955	1,540,242
Non-current employee benefit accruals	17	1,110,424	1,092,966
Other non-current non-financial liabilities		2,976	3,094
Total non-current liabilities		10,728,433	10,353,832
Total liabilities		14,548,580	14,769,914
Equity			
Issued Capital		2,524,423	2,524,423
Retained earnings		1,142,319	1,709,068
Other Reserves	19	3,176,345	1,829,519
Equity attributable to owners of the parent		6,843,087	6,063,010
Non-controlling interests	19	1,725	2,020
Total equity		6,844,812	6,065,030
TOTAL LIABILITIES AND EQUITY		21,393,392	20,834,944

The accompanying notes form an integral part of these interim unaudited consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the six-month periods ended as of June 30, 2012 and 2011
(In thousands of US dollars - ThUS\$)

(Translation of interim unaudited consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2012 6/30/2012	1/1/2011 6/30/2011	4/1/2012 6/30/2012	4/1/2011 6/30/2011
Profit (loss)					
Revenue	20	7,624,799	8,880,048	3,660,944	4,575,102
Cost of sales		(4,900,123)	(4,859,578)	(2,526,032)	(2,516,654)
Gross profit		2,724,676	4,020,470	1,134,912	2,058,448
Other Income, by function	22.a	59,045	541,050	33,477	39,696
Distribution costs		(6,369)	(5,837)	(2,836)	(2,575)
Administrative expenses		(240,224)	(227,440)	(128,121)	(131,037)
Other expenses	22.b	(729,006)	(1,251,820)	(376,677)	(818,681)
Other gains (losses)		16,209	24,412	7,705	14,171
Profit (losses) from operating activities		1,824,331	3,100,835	668,460	1,160,022
Finance income		18,862	22,027	8,733	12,479
Finance costs	23	(222,856)	(105,858)	(153,262)	(30,176)
Share of profit of associates and joint ventures accounted for using the equity method	9	231,851	124,544	115,722	109,704
Foreign exchange differences	25	(76,273)	41,873	(3,302)	(36,408)
Profit for the period before tax		1,775,915	3,183,421	636,351	1,215,621
Income tax expense	5	(1,068,775)	(1,994,976)	(385,036)	(769,747)
Profit for the period from continuing operations		707,140	1,188,445	251,315	445,874
Profit for the period		707,140	1,188,445	251,315	445,874
Profit (loss) attributable to:					
Profit attributable to owners of the parent		707,933	1,189,057	251,909	446,185
Loss attributable to non-controlling interests	19.b	(793)	(612)	(594)	(311)
Profit for the period		707,140	1,188,445	251,315	445,874

The accompanying notes form an integral part of these interim unaudited consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUATION)
For the six-month periods ended as of June 30, 2012 and 2011
(In thousands of US dollars - ThUS\$)

(Translation of interim unaudited consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2012 6/30/2012	1/1/2011 6/30/2011	4/1/2012 6/30/2012	4/1/2011 6/30/2011
Profit for the period		707,140	1,188,445	251,315	445,874
Components of other comprehensive income (loss), before tax:					
Exchange differences on conversion					
Gain (loss) on exchange differences on conversion, before tax		302	929	(610)	750
Other comprehensive income, before tax, exchange differences on conversion		302	929	(610)	750
Cash flow hedges					
Gain (loss) on cash flow hedges, before tax		192,132	670,772	145,208	391,887
Other comprehensive income before tax, exchange differences on conversion		192,132	670,772	145,208	391,887
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method		(3,809)	93,298	(1,767)	44,426
Other comprehensive income (loss) before tax		188,625	764,999	142,831	437,063
Income tax related to cash flow hedges of other comprehensive income	5	(114,154)	(334,819)	(84,947)	(175,855)
Aggregated income tax related to components of other comprehensive income		(114,154)	(334,819)	(84,947)	(175,855)
Other comprehensive income (loss)		74,471	430,180	57,884	261,208
Total comprehensive income		781,611	1,618,625	309,199	707,082
Comprehensive income attributable to					
Comprehensive income attributable to owners of the parent		782,404	1,619,237	309,793	707,393
Comprehensive income attributable to non-controlling interests	19.b	(793)	(612)	(594)	(311)
Total comprehensive income		781,611	1,618,625	309,199	707,082

The accompanying notes form an integral part of these interim unaudited consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD

For the six-month periods ended as of June 30, 2012 and 2011

(In thousands of US dollars - ThUS\$)

(Translation to English of interim unaudited consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2012 6/30/2012	1/1/2011 6/30/2011
Cash flow provided by (used in) operating activities:			
Cash receipts provided by operating activities			
Cash flows provided by sales of goods and rendering of services		8,334,776	10,458,867
Other cash flows provided by operating activities	26	1,051,546	1,426,065
Types of cash payments			
Payments to suppliers for goods and services		(5,101,545)	(4,825,070)
Payments to and on behalf of employees		(1,011,542)	(1,420,702)
Other cash flows used in operating activities	26	(1,800,546)	(2,164,446)
Dividends received		73,904	38,111
Income taxes paid		(980,981)	(2,122,709)
Net cash flows provided by operating activities		565,612	1,390,116
Cash flows provided by (used in) investing activities:			
Other cash flows provided by the sales of joint ventures	26	-	1,088,351
Borrowings to related Companies		-	(3,900)
Purchases of property plant and equipment		(1,517,623)	(1,028,404)
Collections from related Companies		25,895	-
Interest received		17,732	13,967
Other inflows (outflows) of cash		71,189	(118,269)
Net cash flows from (used in) investing activities		(1,402,807)	(48,255)
Cash flows used in financing activities:			
Proceeds from current borrowings		769,088	100,000
Repayments of borrowings		(432,311)	(117,534)
Dividends paid		-	(663,296)
Interest paid		(210,318)	(165,518)
Net cash flows used in financing activities		126,459	(846,348)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference		(710,736)	495,513
Net increase (decrease) in cash and cash equivalents		(710,736)	495,513
Cash and cash equivalents at beginning of period	1	1,382,876	874,039
Cash and cash equivalents at end of period	1	672,140	1,369,552

The accompanying notes form an integral part of these interim unaudited consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six-month periods ended as of June 30, 2012 and 2011

(In thousands of US dollars - ThUS\$)

(Translation of interim unaudited consolidated financial statements originally issued in Spanish – see Note I.2)

June 30, 2012		6/30/2012								
		Issued Capital	Foreign currency conversion reserve	Cash flow hedge reserve	Other miscellaneous reserves	Total other reserves Note 19	Accumulated Retained earnings	Equity attributable to owners of the parent	Non-controlling interests Note 19	Total Equity
Initial Balance as of 1/1/2012		2,524,423	283	(272,349)	2,101,585	1,829,519	1,709,068	6,063,010	2,020	6,065,030
Changes in equity										
	Profit for the period						707,933	707,933	(793)	707,140
	Other comprehensive income (loss)		302	77,978	(3,809)	74,471		74,471	-	74,471
	Comprehensive income							782,404	(793)	781,611
	Dividends Paid						-	-		-
	Increase (decrease) through transfers and other changes	-	-	-	1,272,355	1,272,355	(1,274,682)	(2,327)	498	(1,829)
Total increase (decrease) in equity		-	302	77,978	1,268,546	1,346,826	(566,749)	780,077	(295)	779,782
Final Balance as of 6/30/2012		2,524,423	585	(194,371)	3,370,131	3,176,345	1,142,319	6,843,087	1,725	6,844,812

The accompanying notes form an integral part of these interim unaudited consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six-month periods ended as of June 30, 2012 and 2011

(In thousands of US dollars - ThUS\$)

(Translation of interim unaudited consolidated financial statements originally issued in Spanish – see Note I.2)

June 30, 2011		6/30/2011								
		Issued Capital	Foreign currency conversion reserve	Cash flow hedge reserve	Other miscellaneous reserves	Total other reserves Note 19	Accumulated Retained earnings	Equity attributable to owners of the parent	Non-controlling interests Note 19	Total Equity
Initial Balance as of 1/1/2011		2,524,423	2,916	(969,571)	1,642,058	675,403	1,329,392	4,529,218	1,994	4,531,212
Changes in equity										
	Profit for the period						1,189,057	1,189,057	(612)	1,188,445
	Other comprehensive income (loss)		929	335,953	93,298	430,180		430,180	-	430,180
	Comprehensive income							1,619,237	(612)	1,618,625
	Dividends Paid						(866,162)	(866,162)		(866,162)
	Increase (decrease) through transfers and other changes	-	-	-	378,151	378,151	(23,894)	354,257	1,090	355,347
Total increase (decrease) in equity		-	929	335,953	471,449	808,331	299,001	1,107,332	478	1,107,810
Final Balance as of 6/30/2011		2,524,423	3,845	(633,618)	2,133,507	1,483,734	1,628,393	5,636,550	2,472	5,639,022

The accompanying notes form an integral part of these interim unaudited consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE

NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation of interim unaudited consolidated financial statements originally issued in Spanish – see Note 1.2)

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile, Codelco (hereinafter referred to as “Codelco - Chile”, the “Corporation”), is the largest copper producer in the world. Its most important product is refined copper, primarily in the form of cathodes. The Corporation also produces copper concentrates, blister and anode copper and by-products such as molybdenum, anode slime and sulfuric acid. Codelco also manufactures wire rods in Germany, a semi-manufactured product that uses copper cathodes as raw material, through an associated company that is disclosed in Note 9. The Corporation trades its products based on a policy with the objective of selling refined copper to manufacturers or producers of semi-manufactured products.

These products contribute to diverse fields of community development, particularly those intended to improve areas such as public health, energy efficiency, and sustainable development, among others.

Codelco is registered under Securities Registry No. 785 of the Chilean Superintendency of Securities and Insurance (the “SVS”) and is subject to the supervision of said SVS. According to Article 10 of Law No. 20,392 (on the new Corporate Governance of Codelco), such supervision will be on the same terms as publicly traded companies, notwithstanding the provisions in Decree Law (D.L.) No. 1,349 of 1976, which created the Comisión Chilena del Cobre (“Chilean Copper Commission”).

Codelco’s head office is located in Santiago, Chile, at 1270 Huérfanos, telephone number (56 2) 6903000.

Codelco Chile was formed as stipulated by D.L. No. 1,350 of 1976, which is the statutory decree of the Corporation. In accordance with the statutory decree, Codelco is a state-owned mining, industrial and commercial company, which is a separate legal entity with its own equity. Codelco - Chile currently carries out its mining business through its divisions Chuquicamata, Radomiro Tomic, Salvador, Andina, El Teniente and Ventanas. Also, in May 2008, Codelco - Chile started exploiting the deposit known as Gabriela Mistral, whose mining operations are the responsibility of its subsidiary Minera Gaby SpA., a wholly owned subsidiary of the Corporation. In 2010 the Corporation was authorized by the Board of Directors of the Corporation to invest in the operation of the new division Ministro Hales Mine, whose estimated initial operating date is at the end of 2013. The Corporation also carries out similar activities in other mining deposits in association with third parties.

In accordance with letter e) of Article 10 of Law No. 20,392, Codelco is governed by its organic standards set forth in Decree Law No. 1,350 (D.L. No. 1,350) and that of its statutes, and in matters not covered by them and, insofar as they are compatible and do not go against the provisions of these rules, the rules that govern publicly traded companies and the common laws as applicable to them.

CORPORACION NACIONAL DEL COBRE DE CHILE

NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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In accordance with D.L. No. 1,350 Section IV related to the Company's Exchange and Budget Regulations, Codelco's financial activities are conducted following a budgeting system that is composed of an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco's income is in accordance with Article 26 of D. L. No. 1,350, which refers to Decree Laws No. 824 on Income Tax of 1974 and Decree Law No. 2,398 (Article 2) of 1978, which are applicable. The Corporation's income is also subject to a tax in accordance with Law No. 20,026 of 2005 (Specific Mining Tax).

The Corporation is subject to Law No. 13,196, which mandates the payment of a 10% tax over the foreign currency return on the export value of copper production, including its by-products.

The subsidiaries whose financial statements are included in these consolidated financial statements correspond to companies located in Chile and abroad, which are detailed in Note 2 d of Section II to the Summary of Significant Accounting Policies.

The associates correspond to companies located in Chile and abroad, which are detailed in the Explanatory Notes Section III Note 9.

2. Basis of Presentation of the Consolidated Financial Statements

The Corporation's interim consolidated financial statements are stated in thousands of US dollars and were prepared based on the accounting records maintained by Codelco - Chile and its subsidiaries, and have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB").

Responsibility for the Information and Use of Estimates

The Board of Directors of the Corporation has been informed of the information included in these interim financial statements and expressly states its responsibility for the consistent and reliable nature of the information included in the interim consolidated financial statements as of June 30, 2012, for the effects of which IFRS principles issued by the International Accounting Standards Board have been applied in full. The June 30, 2012 interim consolidated financial statements were approved by the Board of Directors in the meeting on August 30, 2012. The December 31, 2011 consolidated financial statements were approved by the Corporation's Board of Directors on March 22, 2012.

Accounting Principles

These interim consolidated financial statements reflect the financial position of Codelco Chile and its subsidiaries as of June 30, 2012 and December 31, 2011, the results of their operations, the changes in net equity and cash flows for periods ended June 30, 2012 and 2011, and their related notes, all of which have been prepared and presented in accordance with IAS 34 "Presentation of interim Financial

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Reporting” which considers the respective regulations of the Chilean Superintendency of Securities and Insurance (“SVS”), and do not conflict with IFRS.

For the convenience of the reader, these consolidated financial statements and their accompanying notes have been translated from Spanish to English.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Judgments, Estimates and Assumptions

The preparation of these interim consolidated financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the amounts of assets and liabilities recognized as of the date of financial statements and the amounts of income and expenses during the reporting period. It also requires the Corporation’s management to exercise its judgment in the process of applying the Corporation’s accounting principles. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements as follows:

- a) **Useful Economic Lives and Residual Values of Property, Plant and Equipment** - The useful lives and residual values of property, plant and equipment assets that are used for calculating the depreciation are determined based on technical studies prepared by specialists (both internal and external). When there are indicators that could lead to changes in the estimated useful lives of such assets, these changes are determined by using technical estimates considering specific factors related to the use of the assets.

The studies consider specific factors related to the use of assets.

- b) **Ore Reserves** - The measurements of ore reserves are based on estimates of the ore resources that are economically exploitable, and reflect the technical considerations of the Corporation regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with the extraction and processing.

The Corporation applies judgment in determining the ore reserves, and as such, possible changes in these estimates could significantly impact the estimates of net revenues over time. For such reason, these changes would lead to modifications in the usage estimates of certain assets and of the amount of certain decommissioning and restoration costs.

The Corporation estimates its reserves and mineral resources based on the information composed by the Competent Persons of the Corporation, defined and regulated by the Chilean Law N° 20.235. The estimations are based on the JORC (Joint Ore Reserves Committee) methodology, taking into consideration the historical information of the cost of goods sold and copper prices at an international market.

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The Corporation also periodically reviews such estimates, supported by world-class external experts, who certify the determined reserves.

- c) **Impairment of Assets** - The Corporation reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss with regard to the carrying amount. In the evaluation of impairment, the assets are grouped into cash generating units ("CGU's") to which the assets belong. The recoverable amount of these assets or CGU's is calculated as the present value of the cash flows expected to be derived from such assets, considering a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. If the recoverable amount of the assets is less than their carrying amount, an impairment loss exists.

The Corporation defines the CGUs and also estimates the timing and cash flows that such CGUs should generate. Subsequent changes in the grouping of the CGU, or changes in the assumptions supporting the estimates of cash flows or the discount rate, could impact the carrying amounts of the corresponding assets.

The Corporation has assessed and defined that the CGUs are constituted at the level of each of its current operating divisions.

The review for impairment includes subsidiaries and associates.

- d) **Provisions for Decommissioning and Site Restoration Costs** - An obligation to incur in decommissioning and site restoration costs when environmental disturbance is caused by the development or ongoing production of a mining property. Costs are estimated on the basis of a formal closure plan and are reassessed annually or as of the date such obligations become known.

The provision as of a reporting date represents management's best estimate of the present value of the future decommissioning and site restoration costs required. Changes to estimated future costs are recognized in the statement of financial position by either increasing or decreasing the rehabilitation liability and rehabilitation asset if the initial estimate was originally recognized as part of an asset measured in accordance with IAS 16 Property, Plant and Equipment. Any reduction in the decommissioning and site restoration liability and therefore any deduction from the decommissioning and site restoration asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If the change in estimate results in an increase in the decommissioning and site restoration liability and therefore an addition to the carrying value of the asset, the entity is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment in accordance with IAS 36. If the revised asset net of decommissioning and site restoration provisions exceeds the recoverable value, that portion of the increase is charged

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NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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directly to profit or loss statement. Any decommissioning and site restoration costs that arose as a result of the production phase of a mine, should be expensed as incurred.

The costs arising from the installation of a plant or other site preparation projects are discounted at net present value, provided for and capitalized at the beginning of each project, as soon as the obligation to incur such costs arises. These decommissioning costs are charged to net income over the life of the mine, through depreciation of the asset. The depreciation is included in operating costs, while the unwinding of the discount in the provision is included in finance costs.

- e) **Accrual for Employee Benefits** - Employee benefits costs for severance payments and health benefits for services rendered by the employees are determined based on actuarial calculations using the Projected Credit Unit Method, and are charged to profit or loss on an accrual basis.

The Corporation uses assumptions to determine the best estimate for these benefits. Such estimates, as well as assumptions, are determined together with an external actuary. These assumptions include demographic assumptions, mortality and morbidity, discount rate and expected salary increases and rotation levels, among other factors. Although the Corporation believes that the assumptions used are appropriate, a change in these assumptions could affect net income.

- f) **Accruals for Open Invoices** - The Corporation uses information on future copper prices, through which it recognizes adjustments to its revenues and trade receivables, due to the conditions of its provisional invoicing. These adjustments are updated on a monthly basis and the accounting principle on "Revenue recognition" is referred to in letter q) of the section 2 "Significant accounting policies" of the current document.

- g) **Fair Value of Derivatives and Other Instruments** - Management may use its judgment to choose an adequate and proper valuation method for the instruments that are not quoted in an active market. The Corporation applies customary valuation techniques used by other professionals in the industry. In the case of derivative financial instruments, assumptions are based on the observable market inputs, adjusted in conformity with the specific features of the instruments.

- h) **Lawsuits and Contingencies** - The Corporation assesses the probability of lawsuits and contingency losses on an ongoing basis according to estimates performed by its legal advisors. For cases in which management and the Corporation's legal advisors believe that a favorable outcome will be obtained or when the results are uncertain and the lawsuits are still pending resolution, no provisions are recognized.

Although these above-mentioned estimates have been made based on the best information available as of the date of issuance of these interim consolidated financial statements, it is possible that future developments may force the Corporation to modify these estimates in upcoming periods. Such modifications, if occurred, would be adjusted prospectively, recognizing the effects of the change in estimate on the corresponding future consolidated financial

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statements, as required by IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

2. Significant accounting policies

a) **Period covered** - The accompanying interim consolidated financial statements of Corporación Nacional del Cobre de Chile include:

- Statements of Financial Position as of June 30, 2012 and December 31, 2011.
- Statements of Comprehensive Income for the six and three-month periods ending June 30, 2012 and 2011, respectively
- Statements of Changes in Equity for the six-month periods ending June 30, 2012 and 2011.
- Statements of Cash Flows for the six-month periods ended as of June 30, 2012 and 2011.

b) **Basis of Preparation** - The interim consolidated financial statements of the Corporation for the period ended as of June 30, 2012 have been prepared in conformity with IFRS, as issued by the IASB.

The consolidated statement of financial position as of December 31, 2011 and the statements of comprehensive income, of net equity and of cash flows for the six-month period ended June 30, 2011, included for comparative purposes, have been prepared in conformity with IFRS, on a consistent basis with the criteria used by the Corporation for the same period ended June 30, 2012.

These interim consolidated financial statements have been prepared based on the accounting records kept by the Corporation.

c) **Functional Currency** - The functional currency of Codelco is the US dollar, which is the currency of the primary economic environment in which the Corporation operates and the currency in which it receives its revenues. Transactions other than those in the Corporation's functional currency are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated at closing exchange rates. Gains and losses from foreign currency conversion are included in the period profit or loss within the line item “Foreign Exchange differences”.

The presentation currency of the interim consolidated financial statements of Codelco is the US dollar.

The functional currency of subsidiaries, associates and joint ventures, likewise corresponds to the currency of the primary economic environment in which those entities operate and the currency in which they receive their revenues, as established in IAS 21. However, regarding those subsidiaries and associates that correspond only to an extension of the operations of Codelco (entities that are not self-sufficient and whose main transactions are performed with Codelco), the functional currency is also the US dollar, as this is the functional currency of Codelco.

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When the indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions under which each entity operates.

- d) **Basis of Consolidation** - The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In the consolidation process, all significant balances and transactions between the consolidated companies have been fully eliminated, and the equity share of non-controlling interests has been recognized and presented as "Non-controlling Interests". The consolidated financial statements take into account the elimination of intercompany balances, transactions and unrealized profit and loss between the consolidated companies, including foreign and local subsidiaries. The Companies incorporated in the consolidation are detailed as follows:

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Taxpayer Number	Company	Country	Functional Currency	6/30/2012			12/31/2011
				Entity Share Percentage			Entity Share Percentage
				Direct	Indirect	Total	Total
Foreign	Chile Copper Limited	England	GBP	100.000	-	100.000	100.000
Foreign	Codelco Services Limited	England	GBP	-	100.000	100.000	100.000
Foreign	Codelco Group Inc.	United States of America	USD	100.000	-	100.000	100.000
Foreign	Codelco Metals Inc.	United States of America	USD	-	100.000	100.000	100.000
Foreign	Codelco USA Inc.	United States of America	USD	-	100.000	100.000	100.000
Foreign	Codelco International Limited	Bermuda	USD	100.000	-	100.000	100.000
Foreign	Codelco Technologies Ltd.	Bermuda	USD	-	100.000	100.000	100.000
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.000	100.000	100.000
Foreign	Codelco Kupferhandel GmbH	Germany	EURO	100.000	-	100.000	100.000
Foreign	Metall Agentur GmbH	Germany	EURO	-	100.000	100.000	100.000
Foreign	Ecometales Limited	Anglonormandars	USD	-	100.000	100.000	100.000
Foreign	Codelco Shanghai Company Limited	China	USD	100.000	-	100.000	100.000
76.561.210-1	Mining Information Communications and Monitoring S.A.	Chile	USD	66.000	-	66.000	66.000
78.712.170-5	Compañía Minera Picacho (SCM)	Chile	USD	99.990	0.010	100.000	100.000
78.860.780-6	Compañía Contractual Minera los Andes	Chile	USD	99.970	0.030	100.000	100.000
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	98.300	1.700	100.000	100.000
81.767.200-0	Asociacion Garantizadora de Pensiones	Chile	CLP	96.690	-	96.690	96.690
88.497.100-4	Clinica San Lorenzo Limitada	Chile	CLP	99.900	0.100	100.000	99.900
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda,	Chile	CLP	-	99.900	99.900	99.900
89.441.300-K	Isapre Río Blanco Ltda.	Chile	CLP	99.990	0.010	100.000	100.000
96.817.780-K	Ejecutora Hospital del Cobre Calama S.A.	Chile	USD	99.990	0.010	100.000	100.000
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	USD	99.990	0.010	100.000	100.000
96.854.500-0	Instituto de Innovación en Minería y Metalurgia S.A.	Chile	USD	99.930	0.070	100.000	99.930
96.876.140-4	Santiago de Río Grande S.A.	Chile	USD	99.990	0.010	100.000	100.000
96.991.180-9	Biosigma S.A.	Chile	USD	66.670	-	66.670	66.670
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	USD	99.900	0.100	100.000	100.000
99.573.600-4	Clinica Río Blanco S.A.	Chile	CLP	99.000	1.000	100.000	100.000
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.000	1.000	100.000	100.000
76.152.363-5	Minera Gaby SpA	Chile	USD	99.900	0.100	100.000	100.000
77.773.260-9	Sociedad de Inversiones Copperfield Ltda.	Chile	USD	99.990	0.010	100.000	100.000
76.883.610-8	Energía Minera S.A.	Chile	USD	99.000	1.000	100.000	100.000
76.043.396-9	Innovaciones en Cobre S.A	Chile	USD	0.100	99.900	100.000	100.000
76.082.774-6	Inversiones Tocopilla 2B S.A.	Chile	USD	-	-	-	100.000
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	USD	99.900	0.100	100.000	100.000
76.082.158-6	Inversiones Mejillones 2 S.A.	Chile	USD	-	-	-	100.000
76.167.903-1	Inversiones Mineras Acrux SpA.	Chile	USD	100.000	-	100.000	100.000
76.173.357-5	Inversiones Gacrux SpA.	Chile	USD	-	100.000	100.000	100.000
76.173.783-K	Inversiones Mineras Becrux Limitada	Chile	USD	-	100.000	100.000	100.000
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	USD	-	100.000	100.000	100.000
70.905.700-6	Fusat (Entidad de Cometido Especial)	Chile	CLP	-	-	-	-

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For the purposes of these interim consolidated financial statements, subsidiaries, associates, acquisitions and disposals and joint ventures are defined as follows:

- **Subsidiaries** - A subsidiary is an entity over which the Corporation has power to govern its operating and financial policies in order to obtain benefits from its activities. The consolidated financial statements include all assets, liabilities, revenues, expenses and cash flows of Codelco and its subsidiaries, after eliminating all inter-company balances and transactions. For partially owned subsidiaries, the net assets and net earnings attributable to non-controlling shareholders are presented as “Non-controlling interests” in the consolidated statements of financial position and consolidated statement of income.

Likewise, on consolidation, the Corporation incorporates those entities in which it does not hold any direct or indirect ownership interest but instead represent special purpose entities, in accordance with the criteria established in SIC Interpretation 12, Consolidation - Special Purpose Entities.

- **Associates** - An associate is an entity over which Codelco is in the position to exercise significant influence, but not to control or jointly control, through the power to participate in the financial and operating policy decisions of that entity.

Codelco’s share of the net assets of such entities is included in the consolidated financial statements by using the equity method. This requires recording the initial investment at cost and then, in subsequent periods, adjusting the carrying amount of the investment to reflect Codelco’s share in the income of associates, less any impairment of goodwill and any other changes in the associate’s net assets.

- **Acquisitions and Disposals** - The results of businesses acquired are incorporated in the consolidated financial statements from the acquisition date; the results of businesses sold during the period are incorporated into the consolidated financial statements up to the effective date of disposal. Gains or losses from the disposal are calculated as the difference between the sale proceeds (net of expenses) and the net assets attributable to the ownership interest that has been sold.

Upon the occurrence of operations that generate a loss of control over a subsidiary, the valuation of investment which results from the loss of control in the subsidiary must be based on the fair values of such companies.

- **Joint Ventures** - The entities that qualify as joint ventures, in which joint control exists over the operating and financial decisions, are accounted for using the equity method.
- **Special Purpose Entities (SPE’s)** - The substance of the relationship between Codelco and Fundación de Salud El Teniente (FUSAT), indicated that this entity is controlled by Codelco. As such, the consolidated financial statements of FUSAT are incorporated into the

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consolidation of Codelco, according to IAS 27. The consolidated financial statements of the FUSAT include the following entities:

Entity	Country	Equity share percentage	
		6/30/2012	12/31/2011
Centro de Servicios Médicos Porvenir Ltda.	Chile	99.00%	99.00%
Inmobiliaria Centro de Especialidades Torre Médica S.A.	Chile	75.09%	75.09%
Inmobiliaria e Inversiones Río Cipreces Ltda.	Chile	100.00%	100.00%
Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	100.00%	100.00%
Institución de Salud Previsional Fusat Ltda.	Chile	100.00%	100.00%

- e) **Foreign currency transactions** - Monetary assets and liabilities denominated in foreign currency have been translated into U.S. dollars at the closing exchange rate of the period.

At the reporting period-end, monetary assets and liabilities denominated in currency other than the functional currency, indexed in unidades de fomento (UF or inflation index-linked units of account) (6/30/2012: US\$ 45.09 ; 12/31/2011: US\$ 42.94), are translated into U.S. dollars at the closing exchange rates of each period.

Income and expenses denominated in Chilean pesos have been translated into U.S. dollars at the exchange rate at the date when the transaction was recorded in the accounting records.

Exchange differences are recognized in net income in accordance with IFRS.

The financial statements of subsidiaries, associates and jointly controlled entities, whose functional currency is different from the presentation currency of Codelco, are translated using the following procedures:

- Assets and liabilities for each statement of financial position presented shall be translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each statement of comprehensive income shall be translated at average exchange rates of the reporting period.

All resulting exchange differences are recognized as a separate component of net equity.

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The exchange rates used in each period are as follows:

Rate	Period-end exchange rates	
	6/30/2012	12/31/2011
USD / CLP	0.00199	0.00193
USD / GBP	1.56642	1.55087
USD / BRL	0.49833	0.53588
USD / EURO	1.2655	1.29618

- f) **Offsetting Balances and Transactions:** As a general standard, assets and liabilities, income and expenses, are not offset in the financial statements, except for those cases in which offsetting is required or is allowed by some standard and the presentation is a reflection of the transaction.

Income or expenses arising from transactions which, for contractual or legal reasons, consider the possibility of offsetting and which the Corporation intends to liquidate for their net value or realize the assets and pay the liabilities simultaneously, are stated net in the statement of income.

- g) **Property, plant and equipment and depreciation** - Property, plant and equipment items are initially recognized at cost. After their initial recognition, they are recorded at cost, less any accumulated depreciation and any accumulated impairment losses.

The costs of property, plant and equipment items related to the extension, modernization or improvement representing an increase of the productivity, capacity or efficiency or an increase in the useful life of the assets is capitalized as cost of the corresponding assets.

Furthermore, investments in assets acquired under finance lease contracts. These assets are not legally owned by the Corporation until the corresponding purchase option is exercised.

Items included in property, plant and equipment are depreciated in accordance with the straight-line method over their economic useful lives, which are summarized in the following table:

Item	Minimum useful life	Maximum useful life
Buildings	15 years	50 years
Plant and equipment	2 years	35 years
Fixtures and fittings	2 years	15 years
Motor vehicles	5 years	25 years
Mining Operations	20 years	35 years
Construction in progress (Mine development)	1 year	5 years
Land improvements	10 years	35 years
Other	5 years	24 years

The assets maintained under finance leases are depreciated during the estimated period of the lease contract or in accordance with the useful life of the assets, whichever is lower.

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Estimated useful lives, residual values and the depreciation method are reviewed at each year end, recording prospectively the effect of any change in estimates.

The profit or loss from disposal or withdrawal of an asset is calculated as the difference between the price obtained in the disposal and the value recorded in the ledgers recognizing the charge or credit to net income for the year.

Work in progress includes the amounts invested in the construction of property, plant and equipment assets and in mining development projects. Works in progress are transferred to assets in operation once the testing period has terminated and when they are available for use, and start to be depreciated as of that moment.

The ore deposits owned by the Corporation are recorded in the accounting records at US\$1 (one US dollar) and the economic value of these deposits differs from the accounting value.

Borrowing costs that are directly attributable to the acquisition or construction of assets that require a substantial period of time before they are ready for use or sale will be considered as part of the cost of property, plant and equipment items.

- h) Impairment of Property, Plant and Equipment and Intangible Assets** - Property, plant and equipment items and intangible assets of definite useful life are reviewed for impairment, in order to verify whether there is any indication that the carrying value cannot be recovered. If such an indicator exists, the recoverable amount of the assets is estimated to determine the extent of the impairment loss. Where the asset does not generate cash flows independently from other assets, Codelco estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

For such purposes, each division of the Corporation has been defined as a cash generating unit.

The measurement of impairment includes subsidiaries and associates.

The recoverable amount of an asset will be the higher of the fair value less costs to sell the asset and its value in use. When evaluating the value in use, the estimated future cash flows are discounted using an interest rate, before taxes, that shows the market evaluations corresponding to the time value of money and the specific risks of the asset, for which the future cash flow estimates have not been adjusted.

If the recoverable value of an asset or cash generating unit is estimated to be less than its carrying amount, an impairment loss is immediately recognized, reducing the carrying amount up to its recoverable amount with a charge to net income. In case of a subsequent reversal of the impairment, the carrying amount increases to the reviewed estimate of the recoverable amount, but only to the point that it does not exceed the carrying amount that would have been determined if no impairment had been recognized previously. A reversal is recognized as a decrease in the charge for depreciation for the year.

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For cash generating units (CGU's), future cash flow estimates are based on the estimates of future production levels, future prices of basic products and future production costs. IAS 36 "Impairment of Assets" includes a series of restrictions to the future cash flows that can be recognized regarding the restructurings and future improvements related to expenses. When calculating the value in use, it is also necessary to base the calculations on the current exchange rates at the moment of the measurement.

- i) **Exploration, Mine Development and Mining Operations Costs and Expenses** - The Corporation has defined an accounting criterion for each of these costs and expenses.

Development expenses for deposits under exploitation whose purpose is to maintain production levels are charged to net income when incurred.

Expenses for exploration and drillings of deposits include the expenses destined to locate mineralized areas to determine their potential for commercial exploitation. Accounting policy for these expenses has been defined by the Corporation in accordance with IFRS 6 paragraph 9, which will mainly be treated as expenses in profit or loss in the period when the expenses occurred.

Pre-operating and mine development expenses (PP&E) incurred during the execution of a project and until its start-up are capitalized and amortized in relation to the future production of the mine. These costs include extraction of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, the costs for the delimitation of new areas or deposit areas in exploitation and of mining operations (PP&E) are recorded in property, plant and equipment and are charged to net income during the period in which the benefits are obtained.

- j) **Income Taxes and Deferred Taxes** - Codelco and its Chilean subsidiaries record Income Tax based on the net taxable income determined as per the standards established in the Income Tax Law and Article 2 of the D.L. 2,398, as well as the specific tax on mining referred to in Law 20,026 of 2005. Its foreign subsidiaries record income tax according to the taxation standards of each country.

Deferred taxes due to temporary differences and other events that generate difference between the accounting and tax bases for assets and liabilities are recorded in accordance with the standards established in IAS 12 "Income taxes".

In addition, a deferred tax is recognized for the net income of subsidiaries, associates and special purpose entities, originated by withholding taxes on remittances of dividends paid by such companies to the Corporation.

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- k) **Inventory** - Inventory is stated at cost, which does not exceed its net realizable value. The net realizable value represents the estimated sales price less all finishing costs and marketing, sales and distribution expenses. Costs have been determined according to the following methods:
- **Finished Products and Products in Process:** This inventory is stated at average production cost, according to the absorption costing method, including labor and the depreciation of property, plant and equipment, the amortization of intangible assets and the indirect expenses of each period.
 - **Materials in Warehouse:** This inventory is stated at acquisition cost, and the Corporation determines an allowance for obsolescence considering the permanence in stock of slow moving materials in the warehouse.
 - **Materials in Transit:** This inventory is stated at cost incurred until the period-end date. Any difference, due to the estimate of a lower net realizable value of the inventory, in relation to its accounting value, is adjusted with a charge to net income.
- l) **Non-current assets classified as held for sale** - These assets are valued at the lower of its carrying amount and fair value less costs to sell.
- m) **Dividends** - The payment obligation of net revenues presented in the financial statements, as determined in Article 6 of D.L. 1,350, is recognized based on the accrued payment obligation.
- n) **Employee Benefits** - Codelco recognizes accruals for employee benefits when there is a current obligation as a result of the services provided.

The contract conditions stipulate, subject to compliance with certain conditions, the payment of an employee termination benefit when an employment contract ends. In general, this corresponds to one monthly salary per year of service and considering the components of the final remunerations which are contractually defined as the basis for the indemnity. This benefit has been defined as a long-term benefit.

Codelco has also agreed to post-employment medical care for certain employees, which are paid based on a fixed percentage of the monthly tax base of the employees covered by this agreement. This benefit has been defined as a post-employment medical care benefit.

The employee termination benefit obligation and the post-employment medical plans are calculated in accordance with valuations performed by an independent actuary, using the projected unit credit method, which are updated on a regular basis. The obligation recognized in the statement of financial position represents the net present value of the employee termination benefit obligation and the post-employment medical benefit. Actuarial gains and losses are recognized immediately in the statement of comprehensive income within operating costs.

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Management uses assumptions to determine the best estimate of these benefits. Such assumptions include an annual discount rate, mortality and morbidity tables, expected increases in compensation and future permanence, among other factors.

In accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or practical management best practices, the Corporation has established employee retirement programs by means of related addenda to employee contracts or collective union agreements with benefits that encourage employees to retire. Accordingly, the required accruals are established based on the accrued obligation at current value.

- o) Provisions for Dismantling and Restoration Costs** - An obligation, legal or constructive, arises when dismantling and restoration costs are incurred as a result of alterations caused by a mining activity (in development or in production). Costs are estimated on the basis of a formal closure plan and are subject to periodic reviews.

The costs arising from the obligation to dismantle the installation of a plant or other project for the preparation of the site, discounted at their net present value, are accrued and capitalized at the beginning of each project, at which time the obligation to incur such costs is arises.

These dismantling costs are recorded in income via the depreciation of the asset that gave rise to this cost, and the provision is used when the dismantling takes place. Subsequent changes in the estimates of liabilities related to dismantling are added to or deducted from the costs of the related assets in the period in which the adjustment is made.

The restoration costs are accrued at their net present value against operating income, and the provision is used in the period during which the restoration works are performed. Changes in measurement of the liability related to the location of the mining activity (discount rate or time) are recorded in operating income.

The effects of updating the liability, due to the discount rate and/or time, are recorded as finance costs.

- p) Leases – (Codelco as a lessee)** – Leases are classified as finance leases when the terms of the lease transfer all risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease costs under operating leases are charged to income over the lease term. Assets acquired under finance leases are recognized as assets at the start of the lease at either the fair value or the present value of minimum lease payments for the discounted lease at the contracted interest rate, whichever is lower. Interest is charged in the finance costs, at a fixed periodic rate, in the same depreciation period of the asset. The lease obligations net of financing costs are included in other current or non-current liabilities, as appropriate.

Under the provisions of International Financial Reporting Interpretations Committee ("IFRIC") 4 (IFRIC 4) titled "Determining whether an Arrangement Contains a Lease", an arrangement is, or

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contains a lease at the start date, if it uses a specific asset or assets or if it grants the right to use the asset, even if that right is not explicitly specified. For agreements occurring before January 1, 2005, the start date is considered as January 1, 2005 in accordance with the transitional requirements of IFRIC 4.

All take-or-pay contracts and any other service and supply contracts that meet the conditions established in IFRIC 4, are reviewed for indicators of a lease on inception.

- q) **Revenue Recognition** - Revenue is recorded when ownership rights and obligations have been substantially transferred to the purchaser, according to the shipment or dispatch of the products, in conformity with the agreed upon conditions and are subject to variations related to the content and/or sales price at their liquidation date. Notwithstanding the foregoing, there are certain contracts for which the rights and obligations are substantially transferred based on receipt of the product at the buyer's destination point, and for these contracts revenue is recorded at the moment of transfer.

Sales contracts include a provisional price at the shipment date, whose final price is generally based on the price recorded in the London Metals Exchange ("LME"). Recognition of sales revenue for copper and other commodities is based on the estimates of the future spread of metal price ("LME") and/or the spot price at the date of shipment, with a subsequent adjustment made upon final determination and presented as part of "Revenue". The terms of sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (the "quotation period"). As such the final price will be fixed on the dates indicated in the contracts. Adjustments to the sales price occurs based on movements in quoted market prices ("LME") up to the date of final settlement. The period between provisional invoicing and final settlement can be between one and six months. Changes in fair value over the quotation period and up until final settlement are estimated by reference to forward market prices for the applicable metals.

Sales in the national market are recorded in conformity with the regulations that govern domestic sales as indicated in Articles 7, 8 and 9 of Law No. 16,624, modified by Article 15 of Decree Law No. 1,349 of 1976, on the determination of the sales price for the internal market.

As indicated in the note related to hedging policies in the metal futures market, the Corporation enters into operations in the futures market. The net results of these contracts are added to or discounted from the revenues.

Additionally the Corporation recognizes revenue for providing services, mainly related to the processing of minerals bought from third parties. Revenue is recognized when the amounts can be measured reliably and when the services have been provided.

- r) **Derivative Contracts** - Codelco uses derivative financial instruments to reduce the risk of fluctuations in the sales prices of its products and of exchange rates.

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Derivatives are initially recognized at fair value at the date on which the derivative is entered into and subsequently updated at fair value at each reporting date.

The effective part of the changes in fair value of the derivatives that are allocated as “effective cash flow hedges”, is recognized directly in equity, net of taxes, in the item “Cash flow hedge reserves”, while the ineffective part is recorded in the statements of comprehensive income, more specifically on lines Finance expenses or Finance income depending on the effect generated by the ineffectiveness. The amount recognized in net equity is not transferred to other comprehensive income account until the results of the hedged operations are recorded in the statements of comprehensive income or until the maturity date of such operations.

A hedge is considered highly effective when the changes in fair value or in the cash flows of the underlying item attributable to the hedged risk, are offset with the changes in the fair value or in the cash flows of the hedge instruments, with effectiveness between a range of 80% - 125%. The corresponding unrealized profit or loss is recognized in comprehensive income for the period, only in those cases in which the contracts are liquidated or when they no longer comply with hedging characteristics.

The total fair value of the hedge derivatives is classified as a non-current asset or liability, if the remaining maturity of the hedged item is greater than 12 months, and as a current asset or liability, if the remaining maturity of the hedged item is lower than 12 months.

All derivatives designated as hedge instruments are classified as current or non-current assets or liabilities, respectively, depending on the maturity date of the derivative.

The derivative contracts entered into by the Corporation are originated by the application of the risk hedge policies indicated below, and are recorded as indicated for each case:

- *Hedging Policies for Exchange Rates*

From time to time the Corporation enters into exchange rate and interest rate hedge transactions to cover exchange rate variations between the US dollar and the other currencies its transactions are conducted in. Pursuant to the policies established by the Board of Directors these operations are only performed when there is a recognized assets or liabilities, forecast highly probable transactions or firm commitment, and not for investment or speculative reasons.

The results of foreign exchange insurance operations are recorded at the maturity or liquidation date of the respective contracts.

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- *Hedging Policies in the Metal Futures Markets*

In accordance with the policies approved by the Board of Directors the Corporation entered into contracts in order to hedge future metal prices, backed by physical production, in order to minimize the inherent risks in price fluctuations.

The hedging policies seek to protect expected cash flows from the sale of products by fixing the prices for a portion of future production, while to the extent necessary adjusting physical contracts to its standard commercial policies. When the sales agreements are fulfilled and the future contracts are settled, income from sales and futures operations is offset.

At each reporting date, these futures contracts are recorded and adjusted to marked-to-market and recorded at the settlement date of the hedging operations, as a part of the sales revenue of the products.

Hedging operations carried out by the Corporation are not of a speculative nature.

- *Embedded Derivatives*

The Corporation has established a procedure that allows for evaluation of the existence of embedded derivatives in financial and non-financial contracts. Where there is an embedded derivative, and if the host contract is not recorded at fair value, the procedure determines whether the characteristics and risks of the embedded derivative are not closely related to the host contract, in which case it requires a separate recording.

The procedure consists of an initial characterization of each contract that allows for distinguishing of those in which an embedded derivative could exist. In that case, the contract is submitted to a more in-depth analysis. If as a result of this evaluation it is determined that the contract has an embedded derivative that needs to be recorded separately, it is valued and the movements in its fair value are recorded in comprehensive income in the consolidated financial statements.

- s) **Financial Information by Segment** - For the purposes of IFRS 8, *Operating Segments* it has been defined that the segments are defined as the Codelco's Divisions, plus the Gabriela Mistral mine operation, which make up Codelco. Income and expenses of the parent company are distributed in the defined segments.
- t) **Presentation of Financial Statements** - For the purposes of IAS 1, *Presentation of the Financial Statements*, the Corporation establishes the presentation of its statement of financial position classified in "current and non-current" and of its statements of income in conformity with the "by function" method and its cash flows using the direct method.

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- u) **Current and Non-Current Financial Assets** - The Corporation determines the classification of its investments upon initial recognition and reviews these at each closing date. This classification depends on the purpose for which such investments were acquired.

In this section the following categories are observed:

- *Financial Assets at Fair Value through Profit or Loss:*

This category includes those financial assets acquired for trading or sale in the short term. Their initial and subsequent recognition is performed at fair value, which is obtained as of the observable date in the market. The gains and losses from variations in fair value are included in net income for the period.

- *Loans Granted and Accounts Receivable:*

These correspond to financial assets with fixed or determined payments, and which are not quoted in an active market. They arise when the Corporation provides - for valuable consideration - cash, goods or services directly to a debtor without the intention of negotiating the accounts receivable that are generated by the transaction. Its initial recognition is at fair value, which includes the transaction costs that are directly attributed to the acquisition or issuance of it. Subsequent to the initial recognition, these are stated at amortized cost, recognizing in the statements of comprehensive income the accrued interest according to the effective interest rate and the possible losses in value of these assets.

A loss in value of the financial assets stated at amortized cost is caused when there is objective evidence that the Corporation will not be able to recover all amounts in accordance with the original terms.

The amount of loss in value is the difference between the carrying amount and the net present value of the future cash flows discounted at the effective interest rate, and it is recognized as an expense in the statements of comprehensive income.

If in subsequent periods there is evidence of a recovery in the value of the financial asset stated at amortized cost, the recognized impairment loss will be reversed as long as it does not generate an amount in the financial asset ledgers that exceeds the one recorded prior to the loss. The accounting of the reversal is recognized in net income for the period.

Finally, an account receivable is not considered recoverable when situations arise such as the dissolution of the company, lack of identifiable assets for its execution or a legal pronouncement.

- v) **Financial Liabilities** - Financial liabilities are recognized initially at fair value, net of the incurred transaction costs. As the Corporation does not own any financial liabilities held for trading, subsequent to their initial recognition, the financial liabilities are valued at amortized cost, using

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the effective interest rate method, recognizing the interest expenses based on the effective profitability.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or when appropriate, a shorter period when the associated liability has a prepayment option that is considered to be exercised.

Trade accounts payable and other payables are financial liabilities that do not explicitly accrue interest and are recorded at their nominal value.

The financial liabilities are derecognized when the liabilities are paid or expire.

- w) **Allowance for Doubtful Accounts** - The Corporation maintains an allowance for doubtful accounts, based on the experience and analysis of Management regarding the portfolio of trade accounts receivable and the aging of the items.
- x) **Cash and cash equivalents and Statement of Cash Flows** - Cash equivalents are comprised of highly liquid investments, which have a limited risk in relation to possible changes in value, and maturities of which are less than 90 days from date of purchase.

For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

Cash and cash equivalents in the statement of financial position include cash at banks and on hand, and short term deposits and other highly liquid short term investments with an original maturity of three months or less. In the statement of financial position, bank overdrafts are classified as external resources in current liabilities.

- **Operating Activities:** These are the activities that constitute the main source of operating income for the Corporation, as well as other activities that cannot be classified as investment or financing activities.
 - **Investing Activities:** These correspond to acquisition or sale activities or disposal through other methods of long-term assets and other investments not included in cash and cash equivalents.
 - **Financing Activities:** These are activities that cause changes in the size and composition of net equity and of financial liabilities.
- y) **Law No. 13,196** - The amount for this concept is presented in the statement of income in the item Other expenses, by function.

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- z) **Cost of Sales** - Cost of sales is determined according to the absorption cost method, including the direct and indirect costs, depreciation, amortization and any other expenses associated with the production process.

- aa) **Environment** - The Corporation adheres to the principles of sustainable development, which foster the economic development while safekeeping the environment and the health and safety of its collaborators. The Corporation recognizes that these principles are key for the wellbeing of its collaborators, care for the environment and success in its operations.

- ab) **Classification of Current and Non-Current Balances** - In the interim consolidated statement of financial position, the balances are classified according to their maturities, that is, as current those with a maturity equal or inferior to twelve months and as non-current those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon a decision by the Corporation, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

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3. New accounting pronouncements not yet effective

As of the issuance date of these interim consolidated financial statements, the following IFRS and IFRIC interpretations have been issued by the IASB. Their application was not mandatory ¹:

New IFRS	Date of mandatory application	Summary
IFRS 9, Financial Instruments	Annual periods beginning on or after January 1, 2015	Financial assets must be entirely classified on the basis of the business model of the entity for financial asset management and the characteristics of contractual cash flows of financial assets. Financial assets under this standard are measured either at amortized cost or fair value. Only financial assets classified as measured at amortized cost must be tested for impairment.
IFRS 10, Consolidated Financial Statements	Annual periods beginning on or after January 1, 2013	Establishes a single control model that applies to all entities (including special purpose entities). In addition, this standard requires that management exercise professional judgment in determining which entity is controlled and must be consolidated.
IFRS 11, Joint Agreements	Annual periods beginning on or after January 1, 2013	Establishes only two forms of joint agreements (joint ventures and joint operations). This standard uses the principle of control of IFRS 10 to determine whether there is joint control. There is no option for accounting for joint control entities (JCEs) using proportional consolidation. In the case of joint ventures, these must be accounted for using the equity method. For joint operations, which include jointly controlled assets, initial joint operations and initial joint control entities (JCEs) their assets, liabilities, income and expenses are recognized.
IFRS 12, Disclosure of interests in other entities	Annual periods beginning on or after January 1, 2013	Establishes the disclosures of IAS 27, IAS 31 and IAS 28. A number of new disclosures are included in this standard.
IFRS 13, Fair Value	Annual periods beginning on or after January 1, 2013	Establishes a single source to measure fair value. Does not change when an entity must use fair value. The standard changes the definition of fair value. Additionally incorporates certain new disclosures.

¹ IAS, International Accounting Standards; IFRS, International Financial Reporting Standards, IFRIC, International Financial Reporting Standards Interpretations Committee

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IFRS Amendments	Date of mandatory application	Summary
IFRIC 20, Accounting for waste removal costs	Annual periods beginning on or after 1 January 2013	Establishes criteria for the recognition and measurement of assets for costs of removal (stripping cost) under production.
IAS 1, Presentation of Financial Statements	Annual periods beginning on or after July 1, 2012.	Modifications are related to the presentation of Other Comprehensive Income items, giving the option to expose income for the period and comprehensive income. In addition, modifies paragraphs on disclosure of information on income for the period and other comprehensive income.
IAS 19, Employee Benefits	Annual periods beginning on or after January 1, 2013	Changes the accounting for defined benefit plans the termination benefits. For modification of defined benefits and plan assets, the focus of the broker is eliminated, recognizing past service costs in an accelerated manner. Changes in the defined benefits obligation and plan assets are broken down into three components: service costs, net interest on defined benefit, net liabilities (assets). Net interest is calculated using the rate of return for high quality corporate bonds. This could be lower than the rate currently used to calculate expected return on plan assets, resulting in a decrease in net income for the period.
IAS 32, Financial Instrument Presentation	Annual periods beginning on or after January 1st, 2014	Clarifies the requirements regarding the application of compensations between financial entries.
IFRS 7, Financial Instruments: Disclosures	Annual periods beginning on or after January 1st, 2013	Establishes new requirements related to disclosures in order to improve the comparison between financial statements prepared under IFRS and US GAAP.
IAS 27, Separate Financial Statements (former IAS 27 - Consolidated and Separate Financial Statements)	Annual periods beginning on or after January 1st, 2013	The name and content of this rule changed as a result of the publication of the new IFRS 10 - Consolidated Financial Statements. IAS 27 refers only to separate financial statements.
IAS 28, Investments in associate entities and joint ventures (former IAS 28 - Investments in Associates)	Annual periods beginning on or after January 1st, 2013	The name and content of this rule changed as a result of the publication of the new IFRS 11 - Joint Arrangements.

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IFRS Amendments	Date of mandatory application	Summary
IFRS 1, First time adoption of the International Financial Reporting Standards	Annual periods beginning on or after January 1st, 2013	An exception is aggregated to record government granted loans on an interest rate lower than the market.

Management is currently in the process of evaluating the initial effects of the application of the standards, amendments and interpretations that will be adopted in the consolidated financial statements of the Corporation in the respective years indicated. Codelco is still evaluating the impact that the mentioned standards and modifications, considering that they would not have a significant impact.

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III. EXPLANATORY NOTES

1. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

Items	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Cash On hand	6,704	11,738
Bank Balances	22,823	24,650
Time deposits	555,416	1,331,904
Mutual Funds – Money Market	9,348	7,240
Resale Agreements	77,849	7,344
Total Cash and Cash Equivalents	672,140	1,382,876

Valuation of time deposits is made on an accrual basis with an interest rate associated to each of these instruments.

The Corporation does not maintain any significant amounts of cash and cash equivalents that are not available for use.

2. Trade and other receivables

a) Accrual for open sales invoices

As mentioned in Article of Summary of Significant Accounting Policies, the Corporation adjusts its revenues and balances from trade accounts receivable, based on future copper prices, by recording an accrual for open sales invoices.

When the future price of copper is lower than the provisional invoice amount, this provision is presented in the Statement of Financial Position as follows:

- Customers that have debt balances with the Corporation are presented in Current Assets, decreasing the amounts owed by these customers.
- Customers that do not have debt balances with the Corporation are presented in the item Trade and other payables under Current Liabilities.

When the future copper price is higher than the provisional invoice price, the provision is presented in current assets, increasing the amounts owed by customers.

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Based on the above-mentioned, trade receivables as of June 30, 2012 and December 31, 2011 include an accrual of ThUS\$ (71,106) and ThUS\$ (47,781), respectively, related with the accrual of open invoices.

b) Trade and other receivables

The following chart shows the amounts of Trade and other receivables, with their corresponding allowances:

Items	Current		Non- Current	
	6/30/2012 ThUS\$	12/31/2011 ThUS\$	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Trade Receivables (1)	1,460,380	1,551,444	-	-
Allowance for doubtful accounts (3)	(3,493)	(2,027)	-	-
Subtotal trade receivables, Net	1,456,887	1,549,417	-	-
Other Receivables (2)	466,009	423,193	135,094	132,721
Allowance for doubtful accounts (3)	(4,346)	(4,341)	-	-
Subtotal other receivables, Net	461,663	418,852	135,094	132,721
Total	1,918,550	1,968,269	135,094	132,721

(1) Trade receivables are generated by sales of the Corporation, which are generally sold for cash or by bank guarantee.

(2) Other receivables include the amounts owed mainly by:

- Personnel of the Corporation, including short-term loans and mortgage loans, payment for which is withheld on a monthly basis from employee paychecks. The mortgage loans are backed by mortgage guarantees.
- Claims for insurance companies.
- Liquidations to the Central Bank as per Law 13,196.
- Advance payments to suppliers and contractors, to be discounted from the corresponding payment statements.
- Accounts receivable for toll services (Ventanas' Smelter).

(3) The Corporation maintains an allowance for doubtful accounts, based on the experience and analysis of Management regarding the portfolio of trade accounts receivable and the aging of the entries.

The movement of the allowance for doubtful accounts in the period to June 30, 2012 and 2011 are detailed as follows:

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Movements of allowance for doubtful accounts	6/30/2012 ThUS\$	6/30/2011 ThUS\$
Opening balance	6,368	6,557
Increases	1,961	4,294
Write-offs/applications	(490)	(176)
Movement, subtotal	1,471	4,118
Final Balance	7,839	10,675

Past due and not impaired balances are detailed as follows:

Past-due and not impaired	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Less than 90 days	30,939	33,908
Between 90 days and 1 year	35,648	2,197
More than 1 year	5,852	7,181
Total past-due and not impaired	72,439	43,286

3. Balance and Related Party Disclosures

a) Transactions with the Board of Directors

According to the New Corporate Governance Law, Codelco's Board Members were affected in business with related parties, as described in Title XVI of the Corporations law (regarding transactions with related parties in publically traded companies and their affiliates).

As provided in the final paragraph of Article 147 b) of Title XVI, which contains exceptions regarding the approval process for related party transactions, the Corporation has set a general policy of regularity (reported to the SVS as a material fact), which establishes common transactions ordinarily made with its related parties within their line of business, contributes to their social interest and are necessary for Codelco's normal developmental activities.

In addition, consistent to the legal framework, the Corporation has revised its internal policy that governs transactions with persons and companies related to Codelco personnel. Therefore, the Board of Directors approved an update of Corporate Regulation No. 18 (NCC No, 18) and its corresponding administrative procedures.

Codelco, without the authorization indicated in NCC No. 18 and the Board of Directors, when required by Law or the Corporate Statute, shall not enter into contracts involving one or more Directors, Executive President, members of the Committee of Managing Directors, Vice President, Legal Counsel, General Auditor, General Manager, Senior Management, staff who

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have involvement in the assessment, recommendation, sales and/or contract of goods and services, personnel management, or their spouses, children and other relatives up to the 2nd degree of relation, with an interest in itself, directly, or represented by third parties or on behalf of another person. The NCC No. 18 obligates the Corporation's contract to declare all such relationships, as well as remove related job responsibilities from any member within these positions who may be involved.

This prohibition also includes the companies in which such individuals are involved through ownership or management, whether directly or through representation of other natural persons or legal entities, or individuals who have ownership or management interests in those companies.

For the purpose of these regulations, positions of authority are defined as those in charge of second, third and fourth hierarchical level in the Corporation's organization.

The Board of Directors has been informed of the transactions covered by Codelco Corporate Standard No. 18, and upon which it must decide, according to this standard.

Among these operations are those indicated in the following chart, for the total amounts indicated, which need to be executed in the periods specified by each contract:

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2012	1/1/2011	4/1/2012	4/1/2011
					6/30/2012	6/30/2011	6/30/2012	6/30/2011
					Amount	Amount	Amount	Amount
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
Domingo Iraola Vera	2.320.212-3	Chile	Executive's relative	Services	-	8,437	-	18
Inmobiliaria e Inversiones Rio Cipreses	77.928.890-9	Chile	Special Purpose Entities	Services	141	-	141	-
Hatch Ingenieros y Consultores Ltda.	78.784.480-4	Chile	Executive's relative	Services	608	-	608	-
Centro de Capacitación y Recreación Radomiro Tomic	75.985.550-7	Chile	Other	Services	200	-	200	-
Cosando Construcción y Montaje Ltda.	77.755.770-K	Chile	Executive's relative	Services	-	3,716	-	1,774
Fundación Orquesta Sinfónica Infantil de los Andes	65.018.784-9	Chile	Founder	Services	279	-	-	-
Kairos Mining S.A.	76.781.030-K	Chile	Subsidiary	Services	55,600	-	-	-
Servicios Aridam S.A.	76.033.531-2	Chile	Executive's relative	Services	5,654	12,022	-	12,022
Ecometales Ltd.	59.097.530-9	Chile	Subsidiary	Services	5,446	5,178	5,446	4,162
Fundación de Salud El Teniente	70.905.700-6	Chile	Special Purpose Entities	Services	42	-	42	-
Club Deportes Cobresal	70.658.400-5	Chile	Executive club president	Services	653	-	-	-
ANMAR S.A.	76.134.358-0	Chile	Executive's relative	Services	544	-	544	-
E-CL S.A.	88.006.900-4	Chile	Associate	Services	-	900	-	-
Isapre Chuquicamata Ltda.	79.566.720-2	Chile	Subsidiary	Services	3,637	123,479	-	123,479
Instituto Innovación en Minería y Metalúrgica	96.854.500-0	Chile	Subsidiary	Services	4,200	-	4,200	-
Salomón Sack S.A.	90.970.000-0	Chile	Director's ownership	Supplies	1,036	270	-	248

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b) Key Personnel of the Corporation

In accordance with the policy established by the Board of Directors and its related regulation, those transactions affecting the Directors, its Executive President, Vice presidents, Corporate Auditor, the members of the Divisional Management Committees and Divisional General Managers should be approved by this Board.

During 2012 and 2011, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2012	1/1/2011	4/1/2012	4/1/2011
					6/30/2012	6/30/2011	6/30/2012	6/30/2011
					Amount	Amount	Amount	Amount
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
Jorge Bande Bruck	5.899.738-2	Chile	Director	Director's fees	53	53	26	27
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	23	24	10	11
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Director's fees	40	40	20	20
Jaime Gutiérrez Castillo	6.772.588-3	Chile	Director	Payroll	-	30	-	-
Jaime Gutiérrez Castillo	6.772.588-3	Chile	Director	Director's fees	-	26	-	6
Gerardo Jofré Miranda	5.672.444-3	Chile	Chairman of the Board	Director's fees	80	79	39	40
Marcos Büchi Buc (1)	7.383.017-6	Chile	Director	Director's fees	-	-	-	-
Fernando Porcile Valenzuela	4.027.183-k	Chile	Director	Director's fees	40	40	20	20
Andrés Tagle Dominguez	5.895.255-9	Chile	Director	Director's fees	40	40	20	20
Marcos Lima Aravena	5.119.963-4	Chile	Director	Director's fees	67	66	33	33
Juan Luis Ossa Bulnes	3.638.915-K	Chile	Director	Director's fees	40	40	20	20

- (1) During the six-month period from January 1, 2012 to June 30, 2012, the Corporation has not issued any payment instrument for the concept of remunerations to Mr. Marcos Büchi Buc, derived from his participation as Corporation Director, since he has expressly and irrevocably waived those payments, as well as any present or future collection action for that concept.

Through Supreme Decree of the Treasury Department No. 302, dated February 29, 2012, the method for determining the remunerations of the Corporation's directors was actualized. This document details the calculation method of such remunerations, as per the following:

- a) Is fixed in the amount of Ch\$3,282,300 - (three million two hundred and eighty two thousand three hundred Chilean pesos), the monthly salary of the directors of Codelco for participating in the Board meetings.
- b) A unique monthly salary of Ch\$6,564,600 - (six million five hundred and sixty four thousand six hundred Chilean pesos) is established for the Chairman of the Board.

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- c) In the case of the directors that shall participate in a Board Committee, whether the one referred to in Article 50 bis) of law No. 18,046 or another established by the by-laws of the Corporation, they shall receive a single additional monthly amount of Ch\$1,094,100 - (one million ninety four thousand and one hundred Chilean pesos) for their participation, notwithstanding the number of committees in which they participate. In addition, the director holding the chair of the Directors' Committee shall receive a single monthly remuneration for his participation in committees of Ch\$2,188,200 - (two million one hundred eighty eight thousand and two hundred Chilean pesos).
- d) The compensation established in this legal document will be valid for a period of two years, starting from March 1, 2012, and will be adjusted as of January 1, 2013, following the same standards that apply to the employees of the public sector of the Republic of Chile.

The short-term benefits related to the main executives of the Corporation, paid during the period January - June 2012, amount to ThUS\$ 6,463 (2011: ThUS\$ 4,374).

The criteria used to determine the remunerations of the executives was established by the Board on January 29, 2003.

During the first half of 2012, there were payments to senior executives of Codelco by the concepts of service severance, termination benefits and post-employment benefits, equivalent to US\$ 426 million.

There were no non-current benefit payments during the period January-June 2012 and 2011, respectively than those mentioned in the previous paragraph.

There are no share-based benefit plans.

c) Operations with Codelco Investees

In addition, the Corporation performs necessary commercial and financial transactions with entities in which it has capital ownership. The financial transactions correspond mainly to loans in checking accounts.

The commercial operations with related companies refer to the purchase and sale of products or services, at market conditions and prices and which do not consider interest or indexation. These companies are the following: Sociedad GNL Mejillones S.A., Copper Partners Investment Corporation Ltd., Copper for Energy Sociedad Contractual Minera Purén, Kairos Mining S.A., MI Robotic Solutions S.A., Sociedad Contractual Minera El Abra, Electroandina S.A., Agua de La Falda S.A., Ecosea Farming S.A., Comotech S.A., E-CL S.A., Deutsche Geissdraht GmbH and Inca de Oro S.A.

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The Corporation does not establish an allowance for doubtful accounts for the main items receivable from their related companies, as these have been registered by including the relevant safeguards in the respective debt contracts.

Accounts receivable from and payable to related companies as of June 30, 2012 and December 31, 2011, are detailed as follows:

Accounts receivable from related companies

Taxpayer Number	Company	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					6/30/2012	12/31/2011	6/30/2012	12/31/2011
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	37,739	46,065	56,229	75,602
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	6,096	50	-	-
Foreign	Copper Partners Invest. Company Ltd.	Bermuda	Joint Venture	USD	7,824	10,226	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	USD	-	-	224	224
76.063.022-5	Inca de Oro S.A.	Chile	Associate	CLP	7	-	-	-
76.024.442-2	Ecosea Farming S.A.	Chile	Associate	CLP	-	-	-	34
76.781.030-K	Kairos Mining S.A.	Chile	Associate	CLP	10	16	-	-
Total					51,676	56,357	56,453	75,860

Accounts payable to related companies

Taxpayer Number	Company	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					6/30/2012	12/31/2011	6/30/2012	12/31/2011
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
Foreign	Copper Partners Investment Company Ltd.	Bermuda	Joint Venture	USD	33,610	36,666	293,328	308,616
Foreign	Deutsche Geissdraht GmbH	Germany	Associate	EURO	3,145	4,065	-	-
76.781.030-K	Kairos Mining S.A.	Chile	Associate	CLP	13,324	20,138	-	-
76.869.100-2	Mining Industry Robotic Solutions S.A.	Chile	Associate	CLP	5	251	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	51,569	49,720	-	-
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	16,021	16,010	-	-
Total					117,674	126,850	293,328	308,616

The transactions performed between the Corporation and its related companies during the six and three-month periods ended June 30, 2012 and 2011 are detailed in the next chart together with their corresponding effects on profit or loss:

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Taxpayer number	Company	Nature of the relationship	Country	Indexation currency	1/1/2012		1/1/2011		4/1/2012		4/1/2011	
					6/30/2012		6/30/2011		6/30/2012		6/30/2011	
					Amount	Effects on net income (charges)/credits	Amount	Effects on net income (charges)/credits	Amount	Effects on net income (charges)/credits	Amount	Effects on net income (charges)/credits
				ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Foreign	Copper Partners Investment Co. Ltd.	Sales of products	Bermuda	USD	61,742	61,742	66,970	66,970	30,871	30,871	20,959	20,959
Foreign	Copper Partners Investment Co. Ltd.	Dividends received	Bermuda	USD	58,500	-	-	-	24,000	-	-	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Purchase of energy	Chile	USD	119,198	(119,198)	86,199	(86,199)	66,788	(66,788)	46,576	(46,576)
76.775.710-7	Sociedad GNL Mejillones S.A.	Collection of loan	Chile	USD	27,781	-	-	-	11,131	-	-	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Loan interests	Chile	USD	1,295	1,295	2,627	2,627	673	673	2,627	2,627
76.775.710-7	Sociedad GNL Mejillones S.A.	Commissions received	Chile	USD	-	-	376	376	-	-	135	135
76.775.710-7	Sociedad GNL Mejillones S.A.	Reimbursement of expenses	Chile	USD	-	-	-	-	5	-	5	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Guarantee fee	Chile	USD	466	466	-	-	299	299	-	-
76.781.030-k	Kairos Mining S.A.	Purchase of services	Chile	CLP	6,551	(6,551)	9,202	(9,202)	6,551	(6,551)	9,202	(9,202)
76.869.100-2	Mining Industry Robotic Solutions S.A	Purchase of services	Chile	CLP	162	(162)	821	(821)	162	(162)	821	(821)
96.701.340-4	SCM El Abra	Dividends received	Chile	USD	-	-	36,750	-	-	-	36,750	-
96.701.340-4	SCM El Abra	Purchase of products	Chile	USD	252,702	(252,702)	197,578	(197,578)	120,652	(120,652)	105,323	(105,323)
96.701.340-4	SCM El Abra	Sales of products	Chile	USD	23,125	23,125	22,795	22,795	13,555	13,555	10,117	10,117
96.701.340-4	SCM El Abra	Purchase of services	Chile	USD	3,957	(3,957)	960	(960)	-	-	294	(294)
96.701.340-4	SCM El Abra	Commissions received	Chile	USD	77	77	2	2	39	39	(22)	(22)
Foreign	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	1,410	-	1,316	-	-	-	-	-
73.063.022-5	Inca de Oro S.A.	Contribution	Chile	USD	4,231	-	-	-	4,231	-	-	-
76.028.880-2	Minera Purén SCM	Dividends received	Chile	USD	14,000	-	-	-	14,000	-	-	-

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d) Additional Information

The current and non-current account payable to the company Copper Partners Investment Company Ltd., corresponds to the balance of an advance payment received (US\$550 million) due to the commercial agreement with the company Minmetals.

The current and non-current receivables balance from Sociedad GNL Mejillones S.A. refers to a loan agreement signed with the company, with a maturity of December 31, 2016 and accrues an interest of Libor 180 days+3% until June 30, 2010. From July 1, 2010 to December 31, 2012 the interest rate is Libor 90 days+3% and afterwards the rate is being fixed at Libor 90 days +4.5% until the full payment by Sociedad GNL Mejillones S.A.

4. Inventories

Inventories as of June 30, 2012 and December 31, 2011 are detailed as follows:

Items	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Finished products	606,779	459,795
Subtotal finished products, net	606,779	459,795
Products in process	1,444,879	1,142,531
Subtotal products in process, net	1,444,879	1,142,531
Material in warehouse and other	569,380	485,012
Obsolescence allowance adjustment	(84,444)	(72,500)
Subtotal material in warehouse and other, net	484,936	412,512
Total	2,536,594	2,014,838

The value of finished products is stated net of unrealized profit corresponding to the purchase and sales operations of associates and subsidiaries, and which according to accounting standards need to be discounted from the entries that originated them.

The inventory recognized as an expense in the cost of sales during period ended June 30, 2012 and 2011, corresponds to finished products and amounts to ThUS\$ 4,862,188 and ThUS\$ 4,821,951 respectively.

The change in the obsolescence provision is described in the following table:

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Movements of Obsolescence allowance	ThUS\$
Initial Balance 1/1/2012	(72,500)
Additions	(32,005)
Reversals	20,061
Final Balance 6/30/2012	(84,444)

As of June 30, 2012 and 2011 Codelco has not written off inventory that has been recognized in the Statement of Income by function.

5. Deferred taxes and income taxes

This provision is stated in the item Current Tax Liabilities, in current liabilities, net of monthly provisional tax payments and other tax credits (Note 6).

In accordance with Law 20,455 related to reconstruction due to the earthquake, the income tax rates were changed for tax years 2012 and 2013 (fiscal years 2011 and 2012) to 20% and 18.5%, respectively from the 17% rate in force.

In accordance with Law 20,469 regarding the Specific Mining Tax, that changes the current income tax rate (currently 5.78%) to be applied from tax year 2012 onwards, the Corporation has estimated a tax rate of 5.92% for that tax period.

Deferred tax assets and liabilities are detailed as follows:

Deferred tax assets	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Provisions	900,897	808,037
Unrealized gains	49,201	49,157
Finance lease	29,729	27,685
Specific mining tax	37,472	35,854
Derivatives – futures	210,294	317,888
Advances from clients	186,536	196,811
Derivatives interest rate swaps	63,698	70,259
Health care plans	14,860	14,879
Other	2,882	8,506
Total deferred tax assets	1,495,569	1,529,076

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Deferred tax liabilities	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Financial liabilities under effective interest rate	-	138
Price-level restatement of property, plant and equipment, IFRS first time adoption	677,024	775,202
Valuation of employee termination benefit	64,807	81,566
Accelerated depreciation	2,271,009	2,206,342
Other	170,684	6,070
Total deferred tax liabilities	3,183,524	3,069,318

The effect of deferred taxes affecting equity is summarized as follows:

Deferred taxes affecting Equity	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Cash Flow Hedge	(114,154)	(897,100)
Total deferred taxes affecting equity	(114,154)	(897,100)

A reconciliation of taxes considering the legal tax rate and the calculation of the taxes actually paid is detailed as follows:

Items	6/30/2012				
	Taxable base 18.5%	Taxable base 40%	Tax rate 18.5%	Additional tax rate 40%	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Profit before taxes	1,775,915	1,775,915	328,544	710,366	1,038,910
Permanent differences 18.5%	(320,379)	-	(59,270)	-	(59,270)
Permanent differences 40%	-	(106,162)	-	(42,465)	(42,465)
Income from corporations and other	(97,977)	(97,977)	(18,126)	(39,191)	(57,317)
Income from contractual companies	(101,228)	-	(18,727)	-	(18,727)
Income from Isapres (Private health insurance companies)	(2,162)	-	(400)	-	(400)
Foreign exchange differences	(205)	(205)	(38)	(82)	(120)
Specific mining tax	(129,270)	(129,270)	(23,915)	(51,708)	(75,623)
Dividends receivable	-	-	-	-	-
Other	10,463	121,290	1,936	48,516	50,452
Specific mining tax net of deferred tax	-	-	-	-	127,687
Change in annual tax rate	-	-	-	-	428
Effect of subsidiaries	-	-	-	-	3,485
Total tax expense	-	-	269,274	667,901	1,068,775

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Items	6/30/2011				
	Taxable base 20%	Taxable base 40%	Tax rate 20%	Additional tax rate 40%	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Profit before taxes	3,183,421	3,183,421	636,684	1,273,368	1,910,052
Permanent differences 20%	(366,035)	-	(73,207)	-	(73,207)
Permanent differences 40%	-	(235,631)	-	(94,252)	(94,252)
Income from corporations and other	(128,918)	(128,918)	(25,784)	(51,567)	(77,351)
Income from contractual companies	(127,321)	-	(25,464)	-	(25,464)
Income from Isapres (Private health insurance companies)	(3,158)	-	(632)	-	(632)
Foreign exchange differences	929	929	186	372	558
Specific mining tax	(214,635)	(214,635)	(42,927)	(85,854)	(128,781)
Dividends receivable	-	(75)	-	(30)	(30)
Other	107,068	107,068	21,414	42,827	64,241
Specific mining tax net of deferred tax	-	-	-	-	201,085
Effect of subsidiaries	-	-	-	-	51,298
Total tax expense			563,477	1,179,116	1,994,976

6. Current tax assets and liabilities

a) Current tax assets

This item shows the right to collect VAT fiscal credit, income taxes and other taxes receivable, and is detailed as follows:

Item	6/30/2012	12/31/2011
	ThUS\$	ThUS\$
VAT fiscal credit	166,981	177,105
Other taxes	16,551	9,437
Income tax	68,276	68,388
Total	251,808	254,930

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b) Current tax liabilities

This item shows the income tax liabilities, net of monthly provisional payments:

Item	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Income tax payable	116,622	137,267
Total	116,622	137,267

7. Non-current assets classified as held for sale

At 1 of January, 2011, the ownership of E-CL S.A. was represented by Codelco's 40% participation (16.35% direct participation and 23.65% indirect participation through Inversiones Mejillones 2 S.A.), a 52.4% stake of Suez Energy Andino S.A. and a remaining 7.6% stake held by non-controlling shareholders.

Subsequently, on January 27, 2011, Codelco made the placement of 424,251,415 shares issued by E-CL S.A. (representing 40% of the shares of that company), which amounted to a total Ch\$ 509,101,698,000, equivalent to US\$ 1,051,558 million, according to the observed dollar exchange rate on the effective day.

The financial profit after tax generated during the first half of 2011 by this operation was ThUS\$ 29,819.

8. Property, Plant and Equipment

- a) The balances of Property, plant and equipment at June 30, 2012 comparative with December 31, 2011, are as follows:

Property, Plant and Equipment, gross	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Construction in progress	4,206,955	3,320,333
Land	107,727	101,057
Buildings	3,309,380	3,282,133
Plant and Equipment	10,814,777	10,632,843
Fixtures and fittings	35,153	35,085
Motor vehicles	1,290,071	1,263,540
Land Improvements	3,337,409	3,282,628
Mining Operations	3,389,846	3,061,596
Mine development	873,587	791,161
Other Assets	749,622	727,499
Total Property, Plant and Equipment, gross	28,114,527	26,497,875

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Property, Plant and Equipment, accumulated depreciation	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Construction in progress	-	-
Land	-	-
Buildings	2,074,138	2,014,477
Plant and Equipment	6,432,423	6,049,883
Fixtures and fittings	26,480	24,821
Motor vehicles	771,166	724,028
Land Improvements	2,004,277	1,941,146
Mining Operations	1,737,491	1,534,597
Mine development	394,778	362,835
Other Assets	428,256	408,324
Total Property, Plant and Equipment, accumulated depreciation	13,869,009	13,060,111

Property, Plant and Equipment, net	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Construction in progress	4,206,955	3,320,333
Land	107,727	101,057
Buildings	1,235,242	1,267,656
Plant and Equipment	4,382,354	4,582,960
Fixtures and fittings	8,673	10,264
Motor vehicles	518,905	539,512
Land Improvements	1,333,132	1,341,482
Mining Operations	1,652,355	1,526,999
Mine development	478,809	428,326
Other Assets	321,366	319,175
Total Property, Plant and Equipment, net	14,245,518	13,437,764

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b) Movement of Property, plant and equipment:

Movements	Construction in Progress	Land	Buildings	Plant and Equipment	Fixtures and Fittings	Motor vehicles	Land Improvements	Mining Operations	Mine Development	Other Assets	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance as of 1/1/2012	3,320,333	101,057	1,267,656	4,582,960	10,264	539,512	1,341,482	1,526,999	428,326	319,175	13,437,764
Additions	1,465,999	1	70	2,045	272	64	-	136,644	-	10,239	1,615,334
Disposals	(484)	-	(18)	(767)	(56)	(262)	-	-	-	(11)	(1,598)
Capitalizations	(492,601)	-	18,620	172,138	-	30,383	54,132	137,459	82,426	-	2,557
Depreciation and Amortization	(136)	-	(56,024)	(345,696)	(1,626)	(45,779)	(61,455)	(216,862)	(31,943)	(27,454)	(786,975)
Reclassifications	(86,658)	6,277	4,224	(28,222)	(238)	(5,022)	(1,027)	68,115	-	19,395	(23,156)
Impairment	-	-	-	-	-	-	-	-	-	-	-
Others	502	392	714	(104)	57	9	-	-	-	22	1,592
Total movements	886,622	6,670	(32,414)	(200,606)	(1,591)	(20,607)	(8,350)	125,356	50,483	2,191	807,754
Final Balance 6/30/2012	4,206,955	107,727	1,235,242	4,382,354	8,673	518,905	1,333,132	1,652,355	478,809	321,366	14,245,518

Movements	Construction in Progress	Land	Buildings	Plant and Equipment	Fixtures and Fittings	Motor vehicles	Land Improvements	Mining Operations	Mine Development	Other Assets	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance as of 1/1/2011	2,756,793	108,087	1,258,790	4,360,776	11,477	463,060	1,247,097	1,364,142	420,976	360,232	12,351,430
Additions	2,335,287	17,625	129,884	12,116	1,233	23	1,571	337,598	-	13,298	2,848,635
Disposals	-	(19)	-	(12,280)	(106)	(4,336)	(2)	(49,052)	-	(554)	(66,349)
Capitalizations	(1,441,799)	387	99,270	916,880	1,362	179,530	193,632	-	53,617	313	3,192
Depreciation and Amortization	-	-	(111,659)	(681,574)	(2,340)	(96,803)	(119,920)	(364,876)	(46,267)	(56,145)	(1,479,584)
Reclassifications	(273,272)	-	32,727	40,832	549	(1,450)	20,272	239,187	-	(1,480)	57,365
Impairment	(7,259)	(6,277)	(10,525)	(42,348)	(106)	(569)	(1,168)	-	-	(1,748)	(70,000)
Others	(49,417)	(18,746)	(130,831)	(11,442)	(1,805)	57	-	-	-	5,259	(206,925)
Total movements	563,540	(7,030)	8,866	222,184	(1,213)	76,452	94,385	162,857	7,350	(41,057)	1,086,334
Final Balance 12/31/2011	3,320,333	101,057	1,267,656	4,582,960	10,264	539,512	1,341,482	1,526,999	428,326	319,175	13,437,764

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- c) The value of construction in progress, is directly associated with the operating activities of the Corporation and its subsidiaries, and relates to the acquisition of equipment and projects in construction.
- d) The Corporation has contracted insurance policies to cover the potential risks to which the various elements of property, plant and equipment are subject, and any claims that could arise from their activities during the period, these policies provide adequate coverage of the potential risks.
- e) Interest costs capitalized for the period from January 1 to June 30, 2012 amount to ThUS\$ 22,727, calculated based on an annual capitalization rate of 4.16%, and ThUS\$ 16,006 for the same period in the year 2011, calculated based on a capitalization rate of 4.14%.
- f) The Corporation currently has no ownership restrictions on Property, Plant and Equipment assets, in addition, under no circumstance has management granted assets in guarantee to third parties to allow performance of its normal business activities or as a commitment to secure the payment of its obligations.

9. Investments accounted for using the equity method

The following table sets forth the carrying amount and the share of profit of the investments accounted for using the equity method:

Items	Equity Method		Accrued Net Income		Accrued Net Income	
	6/30/2012	12/31/2011	1/1/2012	1/1/2011	4/1/2012	4/1/2011
	ThUS\$	ThUS\$	6/30/2012	6/30/2011	6/30/2012	6/30/2011
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Investments in associates accounted for using the equity method	869,993	748,284	151,215	119,100	75,329	106,934
Joint Ventures	218,909	196,771	80,636	5,444	40,393	2,770
Total	1,088,902	945,055	231,851	124,544	115,722	109,704

a) Associates

Agua de la Falda S.A.

As of June 30, 2012, Codelco has a 43.28% interest in Agua de la Falda S.A., with the remaining 56.72% owned by Minera Meridian Limitada.

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The line of business of this company is to exploit deposits of gold and other minerals, in the third region of the country.

Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was formed in 1994. As of June 30, 2012, Codelco has a 49% interest in Sociedad Contractual Minera El Abra, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

Corporation activities involve the extraction, production and marketing of copper cathodes.

Sociedad Contractual Minera Purén

At June 30, 2012, Codelco has a 35% interest in Sociedad Contractual Minera Purén, with the remaining 65% owned by Compañía Minera Mantos de Oro.

This company's line of business is to explore, identify, survey, investigate, develop and exploit mineral deposits in order to extract, produce and process ore.

Kairos Mining S.A.

As of June 30, 2012, Codelco has a 40% interest in Kairos Mining S.A., with the remaining 60% owned by Honeywell Chile S.A.

Its line of business is to provide automation and control services for industrial and mining activities and to license technology and software licenses.

Mining Industry Robotic Solutions S.A.

As of June 30, 2012, Codelco has a 36% interest in Mining Industry Robotic Solutions S.A., with the remainder owned by Support Company Limited with 53%, Nippon Mining & Metals Co. Ltd., 9% and Kuka Roboter GmbH, 2%.

The company's line of business is the research, design, creation, invention, manufacture, installation, supply, maintenance and marketing in any form or type of robot products, technology products of a robotic nature or complementary supplies necessary for the marketing and maintenance of those products that can be used in the mining and metals industry and related services; to produce under license, license and market the licensing of products, processes and technology services of a robotic nature for the mining and metallurgical industry, as well as any other form of use by third parties of products or services based on such technology. In addition, the company can also form all types of companies and participate as a partner or shareholder in any existing company.

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Sociedad GNL Mejillones S.A.

As of June 30, 2012, Codelco has a 37% interest in Sociedad GNL Mejillones S.A., with the remaining 63% owned by Suez Energy Andino S.A. These interests were established on November 5, 2010 when the Corporation did not increase the capital agreed upon by the meeting of shareholders of such company. Before the actual increase, both the Corporation and Suez Energy Andino S.A. had a 50% interest each.

Its line of business is the production, storage, marketing, transportation and distribution of all types of fuel, and the acquisition, construction, maintenance and operation of infrastructure facilities and construction projects necessary for transport, reception, processing and storage both in Chile and abroad, singly or in partnership with third parties.

Comotech S.A.

As of June 30, 2012, Codelco has a 48.19% interest in Comotech S.A. through its indirect subsidiary Innovaciones en Cobre S.A.

The company's line of business is to carry out research activities to increase the demand for molybdenum at the national and international level through new and better applications, uses and/or markets.

Inca de Oro S.A.

On June 1, 2009 Codelco's Board authorized the formation of a company destined to developing studies to allow continuity of the Inca de Oro Project.

Subsequently, on February 15, 2011, the association of Codelco and Minera PanAust IDO Ltda. was approved in respect to the Inca de Oro deposit, which implies that the latter will have 66% share of Inca de Oro S.A. and Codelco shall maintain a 34% share. Before the materialization of this association, Codelco owned the 100% of the society.

This operation generated during the first half of 2011 a net gain after taxes in the amount of ThUS\$ 33,668.

Copper for Energy S.A.

As of June 30, 2012, Codelco has a 25% interest in the share capital of International Copper Association Ltd., a 25% interest in Fundación Chile and a 25% interest in Universidad de Chile.

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Copper for Energy S.A.'s line of business is to develop and commercialize new products and applications for copper, destined to make the most efficient use of energy and/ or to generate and utilize renewable energy; conducting and ordering research, carrying out studies and projects, rendering of training services and activities.

Ecosea Farming S.A.

The company's objective is the transfer, adaptation, research and development of technologies and support services based on copper and alloys for aquaculture and related areas, and the production and marketing of all forms of products and / or services obtained from them.

Deutsche Giessdraht GmbH

As of June 30, 2012, Aurubis and Codelco through its affiliate, Codelco Kupferhandel GmbH, have a 60% and 40% interest, respectively.

The business model is to produce wire rods in its Emmerich, Germany facility.

The following table demonstrates the equity value and accrued results of investments in associates:

Associates	Taxpayer Number	Functional Currency	Equity Interest		Equity Method		Accrued Net Income		Accrued Net Income	
			6/30/2012	12/31/2012	6/30/2012	12/31/2012	1/1/2012	1/1/2011	4/1/2012	4/1/2011
			%	%	ThUS\$	ThUS\$	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Deutsche Geissdraht GmbH	Foreign	EURO	40.00%	40.00%	3,052	4,283	738	917	428	427
Agua de la Falda S.A. Sociedad Contractual Minera El Abra	96.801.450-1	USD	43.28%	43.28%	5,687	5,731	(44)	(231)	16	(103)
Minera Purén SCM	96.701.340-4	USD	49.00%	49.00%	771,537	666,968	104,569	108,732	41,992	59,570
Sociedad GNL Mejillones S.A.	76.028.880-2	USD	35.00%	35.00%	9,075	23,033	41	12,076	(444)	6,947
Kairos Mining S.A.	76.775.710-7	USD	37.00%	37.00%	27,204	-	46,475	(1,961)	33,379	40,451
MI Robotic Solutions S.A.	76.781.030-K	CLP	40.00%	40.00%	151	130	32	(2)	12	27
Inca de Oro S.A.	76.869.100-2	CLP	36.00%	36.00%	1,552	2,241	(789)	(430)	(227)	(220)
Otras	73.063.022-5	USD	34.00%	34.00%	49,190	44,817	144	70	126	70
					2,545	1,081	49	(71)	47	(235)
TOTAL					869,993	748,284	151,215	119,100	75,329	106,934

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The following tables provide details of the assets, liabilities and major movements in investments in associates accounted for using the equity method during the period ended June 30, 2012 and December 31, 2011 and their respective results during period ended June 30, 2012 and 2011.

Assets and liabilities	6/30/2012 ThUS\$	12/31/2012 ThUS\$
Current assets	934,309	808,605
Non-Current assets	1,719,246	1,717,531
Current liabilities	340,568	513,798
Non-Current liabilities	361,812	361,182

Net Income	1/1/2012 6/30/2012 ThUS\$	1/1/2011 6/30/2011 ThUS\$	4/1/2012 6/30/2012 ThUS\$	4/1/2011 6/30/2011 ThUS\$
Revenue	883,374	1,079,000	617,361	685,741
Cost of sales	(546,078)	(709,855)	(361,041)	(500,054)
Profit for the period	337,296	369,145	256,320	185,687

Movements of Investment in Associates	1/1/2012 6/30/2012 ThUS\$	1/1/2011 6/30/2011 ThUS\$
Opening balances	748,284	561,730
Contributions	4,231	22,259
Dividends	(15,410)	(1,361)
Net income for the period	151,215	119,100
Foreign exchange differences	(128)	53
Fair Value adjustment by the Loss of control	-	20,904
Transfer of negative equity	-	9,680
Other comprehensive income	(3,809)	(7,720)
Other	(14,390)	(34,938)
Final balance	869,993	689,707

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b) Joint ventures

At June 30, 2012, the Corporation participates in the Copper Partners Investment Company Limited Joint venture. This partnership dates from March 2006 when Codelco Chile through its subsidiary Codelco International Ltd., executed the agreement with Album Enterprises Limited (a subsidiary of Minmetals) to form the company, in which both companies hold equal interests.

Identification of the company	Equity interest percentage
Copper Partners Investment Company Limited	50%

Assets and liabilities	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Current assets	118,709	210,515
Non-current assets	329,995	308,616
Current liabilities	10,893	40,161
Non-current liabilities	-	85,428

Net Income	1/1/2012 6/30/2012 ThUS\$	1/1/2011 6/30/2011 ThUS\$	4/1/2012 6/30/2012 ThUS\$	4/1/2011 6/30/2011 ThUS\$
Revenue	231,340	265,382	114,450	128,379
Cost of sale	(70,069)	(254,494)	(33,665)	(122,840)
Profit (loss)	161,271	10,888	80,785	5,539

Movements of the investment in Joint Ventures	1/1/2012 6/30/2012 ThUS\$	1/1/2011 6/30/2011 ThUS\$
Opening Balance	196,771	26,635
Net income for the period	80,636	5,444
Dividends	(58,500)	-
Distributions	-	-
Other comprehensive income	-	93,153
Other	2	-
Total	218,909	125,232

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c) Interest in negative equity

The Corporation, at June 30, 2012 and December 31, 2011, has an interest in the following negative equities (amounts expressed in ThUS\$):

Entity	Equity interest percentage	Negative Equity	
		6/30/2012	12/31/2011
Sociedad GNL Mejillones S.A.	37%	-	(41,789)
Copper for Energy S.A.	25%	-	(44)

d) Additional information about unrealized profit

The Corporation has recognized unrealized profit for purchases and sales of products, mining properties, property, plant and equipment and ownership rights. The most significant transactions include the transaction carried out in 1994 for the initial contribution of mining properties to Sociedad Contractual Minera El Abra.

The balance of unrealized profit to be recognized as of June 30, 2012 is ThUS\$ 86,240 (12/31/2011 ThUS\$86,240). This figure is shown by deducting the investment in this company.

Codelco carries out copper purchases and sales with this company. At June 30, 2012, and December 31, 2011, the value of finished products in Inventory does not have an unrealized profit accrual.

10. Subsidiaries

The following tables present a detail of the assets, liabilities and results of the Corporation's subsidiaries, prior to consolidation adjustments:

Assets and liabilities	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Current assets	440,702	697,933
Non-current assets	641,351	618,753
Current liabilities	344,338	431,813
Non-current liabilities	310,366	305,783

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Net Income	1/1/2012 6/30/2012 ThUS\$	1/1/2011 6/30/2011 ThUS\$	4/1/2012 6/30/2012 ThUS\$	4/1/2011 6/30/2011 ThUS\$
Revenue	1,216,097	1,440,018	602,987	629,520
Cost of sales	(1,106,603)	(1,299,639)	(543,273)	(694,701)
Profit (loss) for the period	109,494	140,379	59,714	(65,181)

11. Other non-current non-financial assets

Other non-current non-financial assets included in the interim consolidated statement of financial position as of June 30, 2012 and December 31, 2011 are detailed as follows:

Other non-current financial assets	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Anglo American Purchase Option (1)	166,872	162,558
Law No. 13,196 asset (2)	32,694	34,528
Other	4,377	6,864
TOTAL	203,943	203,950

- (1) On December 19, 2008, Empresa Nacional de Minería (ENAMI) assigned Codelco Chile the right to buy up to 49% of the shares of Anglo American Sur S.A.

The figure presented on June 30, 2012 corresponds to the amounts paid by Codelco to Enami plus those incurred during the exercise of the aforementioned option.

The purchase option mentioned above is a financial instrument, the exact value, based on its characters and other factors, is difficult to measure on the closing date of these financial statements. Therefore the terms of IAS 39 AG81 have been used.

Note 29 "Contingencies and restrictions" of the financial statements, the report of Significant Events in this statement, acknowledges the process of exercising the purchase right by Codelco of the social interest indicated before, as well as the conclusion of the same through an incorrect reconciliation of its legal aspects.

- (2) This corresponds to the recording of the commitment related to Law N°13,196, for the advance payment received for the copper sales contract signed with Copper Partners Investment Company Limited. This amount will be amortized according to the shipments made.

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12. Current and non-current financial assets

Current and non-current financial assets included in the statement of financial position are detailed as follows:

Classification in the statement of financial position	6/30/2012				
	At fair value through profit and loss	Loans and receivables	Hedging derivatives	Available for sale	Total financial assets ThUS\$
Cash and Cash equivalents	9,348	662,792	-	-	672,140
Trade and other current receivables	(71,106)	1,989,656	-	-	1,918,550
Rights receivables, non - current	-	135,094	-	-	135,094
Due from related companies, current	-	51,676	-	-	51,676
Due from related companies, non - current	-	56,453	-	-	56,453
Other current financial assets	-	1,821	27,327	-	29,148
Other non - current financial assets	-	12,156	126,907	-	139,063
TOTAL	(61,758)	2,909,648	154,234	-	3,002,124

Classification in the statement of financial position	12/31/2011				
	At fair value through profit and loss	Loans and receivables	Hedging derivatives	Available for sale	Total financial assets ThUS\$
Cash and Cash equivalents	7,240	1,375,636	-	-	1,382,876
Trade and other current receivables	(47,781)	2,016,050	-	-	1,968,269
Rights receivables, non - current	-	132,721	-	-	132,721
Due from related companies, current	-	56,357	-	-	56,357
Due from related companies, non - current	-	75,860	-	-	75,860
Other current financial assets	-	1,171	192,066	-	193,237
Other non - current financial assets	-	9,275	93,318	-	102,593
TOTAL	(40,541)	3,667,070	285,384	-	3,911,913

- **Financial assets designated at fair value through profit or loss:** At June 30, 2012, this category mainly includes unfinished product sale invoices and mutual fund investments made by Codelco Chile subsidiaries.

The effects on results of open invoices are determined by the differences between the provisional price at the date of shipment and the futures price curve of products, as explained under the title

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Accounting policies (letter p of number 2 of Chapter II), while mutual funds affect the result by the change in fair value of shares.

- **Loans granted and receivables:** These correspond to financial assets with fixed or determinable payments that are not traded in an active market.

The effects on the period's statements of comprehensive income generated by these assets, come mainly from financial interest gains and from the exchange rate differences related to the balances in currencies other than the functional currency.

No material impairments were recognized in accounts receivable.

- **Hedging derivatives:** Correspond to the receivable balances for derivative contracts, for the exposure generated by existing operations and which effect on the period profit and loss are from liquidation of these operations. The detail of derivative transactions is included in Note 28.
- **Available-for-sale financial assets:** These correspond primarily to non-derivative financial assets that are specifically designated as available for sale or are not classified as: a) loans and receivables, b) investments held to maturity or c) financial assets carried at fair value through profit or loss (IAS 39, paragraph 9).

Within the period presented, there was no reclassification of financial instruments among the different categories established under IAS 39.

13. Interest-bearing borrowings

Current and non-current interest-bearing borrowings correspond to Borrowings from financial institutions, Bond obligations and Finance leases, which are recorded by the Corporation at amortized cost using the effective interest rate method.

The following tables detail the composition of the item "other financial liabilities, current and non-current."

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Items	6/30/2012					
	Current			Non- Current		
	Loans and other payables ThUS\$	Hedge derivatives ThUS\$	Total ThUS\$	Loans and other payables ThUS\$	Hedge derivatives ThUS\$	Total ThUS\$
Loans from financial entities	154,621	-	154,621	1,412,783	-	1,412,783
Bonds	818,619	-	818,619	5,026,549	-	5,026,549
Financial Lease	24,939	-	24,939	95,339	-	95,339
Hedge obligations	-	470,119	470,119	-	1,600	1,600
Other financial liabilities	6,525	-	6,525	84,121	-	84,121
Total	1,004,704	470,119	1,474,823	6,618,792	1,600	6,620,392

Items	12/31/2011					
	Current			Non- Current		
	Loans and other payables ThUS\$	Hedge derivatives ThUS\$	Total ThUS\$	Loans and other payables ThUS\$	Hedge derivatives ThUS\$	Total ThUS\$
Loans from financial entities	41,276	-	41,276	1,196,645	-	1,196,645
Bonds	802,954	-	802,954	5,008,399	-	5,008,399
Financial Lease	22,954	-	22,954	106,095	-	106,095
Hedge obligations	-	770,666	770,666	-	25	25
Other financial liabilities	5,574	-	5,574	83,990	-	83,990
Total	872,758	770,666	1,643,424	6,395,129	25	6,395,154

These items are generated by the following situations:

- ***Borrowings from financial institutions:***

The loans obtained by the Corporation for up to a twelve-month term, contracted at the market interest rate to finance its production operations oriented towards the foreign market.

The loans obtained by the Corporation for terms that exceed twelve month are mainly to finance the investments required for production processes.

- ***Bond obligations:***

On November 18, 2002, the Corporation issued and placed bonds on the domestic market, under the rules of the Superintendency of Securities and Insurance. These bonds were issued for a

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nominal amount of UF7,000,000, in a single series denominated Series A, and consist of 70,000 bonds for UF100 each. These bonds are payable in a single installment on September 1, 2012, with a 4.0% annual interest rate and with bi-annual interest payments.

On November 30, 2002, the Corporation issued and placed bonds on the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$435,000. These bonds are payable in a single installment on November 30, 2012, with a 6.375% annual interest rate and with bi-annual interest payments.

On October 15, 2003, the Corporation issued and placed bonds on the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$500,000. These bonds are payable in a single installment on October 15, 2013, with a 5.5% annual interest rate and with bi-annual interest payments.

On October 15, 2004, the Corporation issued and placed bonds on the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$500,000. These bonds are payable in a single installment on October 15, 2014, with a 4.750% annual interest rate and with bi-annual interest payments.

On May 10, 2005, the Corporation issued and placed bonds on the domestic market for a nominal amount of UF6,900,000, in a single series denominated Series B, and consist of 6,900 bonds for UF1,000 each. These bonds are payable in a single installment on April 1, 2025, with a 3.29% annual interest rate and with bi-annual interest payments.

On September 21, 2005, the Corporation issued and placed bonds on the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$500,000. These bonds are payable in a single installment on September 21, 2035, with a 5.6250% annual interest rate and with bi-annual interest payments.

On October 19, 2006, the Corporation issued and placed bonds on the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$500,000. These bonds are payable in a single installment on October 24, 2036, with a 6.15% annual interest rate and with bi-annual interest payments.

On January 20, 2009, the Corporation issued and placed bonds on the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$600,000. These bonds mature in a single installment on January 15, 2019, at an interest rate of 7.5% per annum with interest paid bi-annually.

On November 4, 2010 the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$1,000,000. These bonds mature in a

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single installment on November 4, 2020, at an interest rate of 3.75% per annum with interest paid bi-annually.

On November 3, 2011, the Corporation issued and placed bonds in the U.S. market under Rule 144A and Regulation S, for a nominal amount of ThUS \$1,150,000. These bonds mature in a single installment on November 3, 2021, with an interest rate of 3.875% per annum, with interest paid semiannually.

- ***Financial debt commissions and expenses:***

Obtaining financial resources generates, in addition to the interest rate, fees and other expenses charged by the financial institutions, and the Corporation receives the net value of the loans. These expenses are amortized based on the effective interest rate determined using the amortized cost method.

- ***Finance leases:***

Finance lease transactions are generated for service contracts, principally for buildings and machinery.

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At June 30, 2012, the detail of Borrowings from financial institutions and Bond obligations is as follows:

6/30/2012													
Taxpayer Number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current Balance ThUS\$	Non-current Balance ThUS\$
Foreign	United States of America	Export pre-funding	BBVA Bancomer	9/27/2014	Floating	US\$	400,000,000	Maturity	Quarterly	0.64%	0.70%	133,340	266,117
97836000-K	Chile	Export pre-funding	Banco Santander	11/20/2015	Floating	US\$	75,000,000	Maturity	Quarterly	1.34%	1.46%	90	74,640
Foreign	Bermuda	Export pre-funding	HSBC Bank Bermuda Limited	12/17/2015	Floating	US\$	162,500,000	Maturity	Quarterly	1.32%	1.44%	89	162,247
Foreign	United States of America	Export pre-funding	Bank of Tokyo Mitsubishi Ltd.	12/22/2015	Floating	US\$	100,000,000	Maturity	Quarterly	1.22%	1.31%	27	99,712
97836000-K	Chile	Export pre-funding	Banco Santander	12/23/2015	Floating	US\$	100,000,000	Maturity	Quarterly	1.32%	1.44%	19	99,115
Foreign	Canada	Export pre-funding	Export. Dev. Canada	12/28/2015	Floating	US\$	250,000,000	Maturity	Quarterly	1.26%	1.38%	18	249,712
Foreign	United States of America	Export pre-funding	Sumitomo Mitsui Banking	2/18/2016	Floating	US\$	100,000,000	Maturity	Quarterly	1.30%	1.39%	54	99,716
Foreign	United States of America	Export pre-funding	Mizuho Corporate Bank Ltd	10/13/2016	Floating	US\$	100,000,000	Maturity	Quarterly	1.07%	1.22%	232	100,000
Foreign	United States of America	Export pre-funding	Bank of Tokyo Mitsubishi Ltd.	10/14/2016	Floating	US\$	250,000,000	Maturity	Quarterly	0.97%	1.12%	526	250,000
Foreign	Germany	Credit Line	HSBC Trinkaus & Burkhardt		Floating	Euro	7,464,000			1.65%	1.58%	9,446	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro	6,863,000			1.65%	1.61%	8,685	-
			Others institutions									2,095	11,524
TOTAL												154,621	1,412,783

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current Balance ThUS\$	Non-current Balance ThUS\$
BCODE-A	Chile	9/1/2012	Fixed	U.F.	7,000,000	Maturity	Semi annual	3.96%	4.45%	319,605	-
144-A REG.S	United States of America	11/30/2012	Fixed	US\$	435,000,000	Maturity	Semi annual	6.38%	6.48%	437,385	-
144-A REG.S	United States of America	10/15/2013	Fixed	US\$	500,000,000	Maturity	Semi annual	5.50%	5.57%	5,936	499,560
144-A REG.S	United States of America	10/15/2014	Fixed	US\$	500,000,000	Maturity	Semi annual	4.75%	4.99%	5,126	497,432
114-A REG.S	United States of America	1/15/2019	Fixed	US\$	600,000,000	Maturity	Semi annual	7.50%	7.79%	20,769	591,288
114-A REG.S	United States of America	11/4/2020	Fixed	US\$	1,000,000,000	Maturity	Semi annual	3.75%	3.98%	5,910	983,540
114-A REG.S	United States of America	11/3/2021	Fixed	US\$	1,150,000,000	Maturity	Semi annual	3.88%	4.07%	7,023	1,133,033
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi annual	4.00%	3.24%	3,120	335,639
144-A REG.S	United States of America	9/21/2025	Fixed	US\$	500,000,000	Maturity	Semi annual	5.63%	5.78%	7,948	490,221
144-A REG.S	United States of America	10/24/2036	Fixed	US\$	500,000,000	Maturity	Semi annual	6.15%	6.22%	5,797	495,836
TOTAL										818,619	5,026,549

Nominal and effective interest rates presented above correspond to annual rates.

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At December 31, 2011, the detail of Borrowings from financial institutions and Bond obligations is as follows:

12/31/2011													
Taxpayer Number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current Balance ThUS\$	Non-current Balance ThUS\$
Foreign	United States of America	Export pre-funding	BBVA Bancomer	9/27/2014	Floating	US\$	400,000,000	Maturity	Quarterly	0.75%	0.80%	6	399,643
97836000-K	Chile	Export pre-funding	Banco Santander	11/30/2015	Floating	US\$	75,000,000	Maturity	Quarterly	1.36%	1.49%	94	74,714
Foreign	Bermuda	Export pre-funding	HSBC Bank Bermuda Limited	12/17/2015	Floating	US\$	162,500,000	Maturity	Quarterly	1.41%	1.53%	66	161,870
Foreign	United States of America	Export pre-funding	Bank of Tokyo-Mitsubishi	12/22/2015	Floating	US\$	100,000,000	Maturity	Quarterly	1.32%	1.42%	28	99,678
97836000-K	Chile	Export pre-funding	Banco Santander	12/23/2015	Floating	US\$	100,000,000	Maturity	Quarterly	1.42%	1.55%	27	99,600
Foreign	Canada	Export pre-funding	Export. Dev. Canada	12/28/2015	Floating	US\$	250,000,000	Maturity	Quarterly	1.38%	1.50%	24	248,996
Foreign	United States of America	Export pre-funding	Sumitomo Mitsui Banking	2/18/2016	Floating	US\$	100,000,000	Maturity	Quarterly	1.38%	1.45%	52	99,686
Foreign	Germany	Credit line	HSBC Trinkaus & Burkhardt		Floating	Euro	15,364,000			1.65%	1.65%	19,915	-
Foreign	Germany	Credit line	Deutsche Bank		Floating	Euro	14,562,000			1.65%	1.65%	18,875	-
			Other institutions									2,189	12,458
TOTAL												41,276	1,196,645

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current Balance ThUS\$	Non-current Balance ThUS\$
BCODE-A	Chile	9/1/2012	Fixed	U.F.	7,000,000	Maturity	Semi annual	3.96%	4.45%	303,701	-
144-A REG.S	United States of America	11/30/2012	Fixed	US\$	435,000,000	Maturity	Semi annual	6.38%	6.48%	437,206	-
144-A REG.S	United States of America	10/15/2013	Fixed	US\$	500,000,000	Maturity	Semi annual	5.50%	5.57%	6,011	499,399
144-A REG.S	United States of America	10/15/2014	Fixed	US\$	500,000,000	Maturity	Semi annual	4.75%	4.99%	5,191	496,911
114-A REG.S	United States of America	1/15/2019	Fixed	US\$	600,000,000	Maturity	Semi annual	7.50%	7.79%	20,788	590,785
114-A REG.S	United States of America	11/4/2020	Fixed	US\$	1,000,000,000	Maturity	Semi annual	3.75%	3.98%	5,975	982,719
114-A REG.S	United States of America	11/3/2021	Fixed	US\$	1,150,000,000	Maturity	Semi annual	3.88%	4.07%	7,184	1,132,295
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi annual	4.00%	3.24%	2,981	320,369
144-A REG.S	United States of America	9/21/2035	Fixed	US\$	500,000,000	Maturity	Semi annual	5.63%	5.78%	8,036	490,121
144-A REG.S	United States of America	10/24/2036	Fixed	US\$	500,000,000	Maturity	Semi annual	6.15%	6.22%	5,881	495,800
TOTAL										802,954	5,008,399

Nominal and effective interest rates presented above correspond to annual rates.

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At June 30, 2012, the detail of amounts due undiscounted that the Corporation has with financial institutions is as follows:

Debtor's Name	6/30/2012				Current			Non-current			
	Currency	Effective interest rate	Nominal rate	Type of amortization	Less than 90 days	More than 90 days	Current Total	One to three years	Three to five years	More than five years	Non-current Total
THE BANK OF TOKYO M.	US\$	1.31%	1.22%	Quarterly	327	981	1,308	2,620	100,656	-	103,276
HSBC BANK BERMUDA LIMITED	US\$	1.44%	1.32%	Quarterly	582	1,747	2,329	4,665	163,668	-	168,333
BBVA BANCOMER	US\$	0.70%	0.64%	Quarterly	134,032	1,397	135,429	268,064	-	-	268,064
EXPORT DEVELOP CANADA	US\$	1.38%	1.26%	Quarterly	861	2,584	3,445	6,901	251,727	-	258,628
BANCO SANTANDER	US\$	1.46%	1.34%	Quarterly	273	820	1,093	2,190	75,548	-	77,738
BANCO SANTANDER	US\$	1.44%	1.32%	Quarterly	359	1,077	1,436	2,875	100,720	-	103,595
SUMITOMO MITSUI BANKING	US\$	1.39%	1.30%	Quarterly	339	1,043	1,382	2,632	101,972	-	104,604
MIZUHO CORPORATE BANK LTD	US\$	1.22%	1.07%	Quarterly	273	810	1,083	2,167	101,630	-	103,797
BANK OF TOKYO MITSUBISHI LTD.	US\$	1.12%	0.97%	Quarterly	612	1,843	2,455	4,911	253,693	-	258,604
BONO 144-A REG. 2012	US\$	6.48%	6.38%	Semi annual	-	449,078	449,078	-	-	-	-
BONO 144-A REG. 2013	US\$	5.57%	5.50%	Semi annual	13,910	27,833	41,743	513,923	-	-	513,923
BONO 144-A REG. 2014	US\$	4.99%	4.75%	Semi annual	12,392	24,822	37,214	537,335	-	-	537,335
BONO 144-A REG. 2035	US\$	5.78%	5.63%	Semi annual	28,324	28,330	56,654	56,696	56,750	1,028,995	1,142,441
BONO 144-A REG. 2036	US\$	6.22%	6.15%	Semi annual	15,411	30,826	46,237	61,666	61,688	1,103,372	1,226,726
BONO 144-A REG. 2019	US\$	7.79%	7.50%	Semi annual	45,991	23,025	69,016	92,311	92,692	693,137	878,140
BONO 144-A REG. 2020	US\$	3.98%	3.75%	Semi annual	19,569	39,187	58,756	78,580	78,874	1,138,810	1,296,264
BONO 144-A REG. 2021	US\$	4.07%	3.88%	Semi annual	23,018	46,080	69,098	92,351	92,621	1,359,507	1,544,479
Total ThUS\$					296,273	681,483	977,756	1,729,887	1,532,239	5,323,821	8,585,947
BONO BCODE-A 2012	U.F.	4.45%	3.96%	Semi annual	7,155,360	-	7,155,360	-	-	-	-
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi annual	13,800	241,235	255,035	479,025	474,178	8,741,484	9,694,687
Total U.F.					7,169,160	241,235	7,410,395	479,025	474,178	8,741,484	9,694,687
Sub total ThUS\$					323,249	10,877	334,126	21,599	21,380	394,143	437,122
Total ThUS\$					619,522	692,360	1,311,882	1,751,486	1,553,619	5,717,964	9,023,069

Nominal and effective interest rates presented above correspond to annual rates.

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At December 31, 2011, the detail of amounts due undiscounted that the Corporation has with financial institutions is as follows:

Debtor's Name	12/31/2012				Current			Non-current			
	Currency	Effective interest rate	Nominal rate	Type of amortization	Less than 90 days	More than 90 days	Current Total	One to three years	Three to five years	More than five years	Non-current Total
THE BANK OF TOKYO M.	US\$	1.42%	1.32%	Quarterly	353	1,059	1,412	2,826	101,415	-	104,241
HSBC BANK BERMUDA LIMITED	US\$	1.53%	1.41%	Quarterly	619	1,858	2,477	4,961	164,984	-	169,945
BBVA BANCOMER	US\$	0.80%	0.75%	Quarterly	798	2,394	3,192	405,588	-	-	405,588
EXPORT DEVELOP CANADA	US\$	1.50%	1.38%	Quarterly	933	2,802	3,735	7,481	253,746	-	261,227
BANCO SANTANDER	US\$	1.49%	1.36%	Quarterly	277	833	1,110	2,223	76,113	-	78,336
BANCO SANTANDER	US\$	1.55%	1.42%	Quarterly	385	1,155	1,540	3,084	101,544	-	104,628
SUMITOMO MITSUI BANKING	US\$	1.45%	1.38%	Quarterly	348	1,084	1,432	2,791	101,992	-	104,783
BONO 144-A REG. 2012	US\$	6.48%	6.38%	Semi annual	-	463,150	463,150	-	-	-	-
BONO 144-A REG. 2013	US\$	5.57%	5.50%	Semi annual	-	27,824	27,824	527,842	-	-	527,842
BONO 144-A REG. 2014	US\$	4.99%	4.75%	Semi annual	-	24,796	24,796	549,753	-	-	549,753
BONO 144-A REG. 2035	US\$	5.78%	5.63%	Semi annual	14,161	28,324	42,485	56,684	56,736	1,043,188	1,156,608
BONO 144-A REG. 2036	US\$	6.22%	6.15%	Semi annual	-	30,823	30,823	61,661	61,682	1,118,796	1,242,139
BONO 144-A REG. 2019	US\$	7.79%	7.50%	Semi annual	22,986	23,005	45,991	92,224	92,591	716,349	901,164
BONO 144-A REG. 2020	US\$	3.98%	3.75%	Semi annual	-	39,154	39,154	78,510	78,798	1,158,558	1,315,866
BONO 144-A REG. 2021	US\$	4.07%	3.88%	Semi annual	-	46,050	46,050	92,286	92,551	1,382,689	1,567,526
Total ThUS\$					40,860	694,311	735,171	1,887,914	1,182,152	5,419,580	8,489,646
BONO BCODE-A 2012	U.F.	4.45%	3.96%	Semi annual	154,996	7,155,360	7,310,356	-	-	-	-
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi annual	6,900	241,789	248,689	480,188	475,419	8,859,557	9,815,164
Total U.F.					161,896	7,397,149	7,559,045	480,188	475,419	8,859,557	9,815,164
Sub total ThUS\$					6,954	317,738	324,692	20,626	20,421	380,554	421,601
Total ThUS\$					47,814	1,012,049	1,059,863	1,908,540	1,202,573	5,800,134	8,911,247

Nominal and effective interest rates presented above correspond to annual rates.

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Payment commitments for financial leasing transactions are summarized in the following table:

Financial Leasing	6/30/2012			12/31/2011		
	Gross ThUS\$	Interest ThUS\$	Net ThUS\$	Gross ThUS\$	Interest ThUS\$	Net ThUS\$
Less than one year	30,130	(5,191)	24,939	28,897	(5,943)	22,954
Between one and five years	69,893	(28,709)	41,184	85,842	(29,918)	55,924
More than five years	97,771	(43,616)	54,155	97,476	(47,305)	50,171
Total	197,794	(77,516)	120,278	212,215	(83,166)	129,049

Commitment to future payments for operating leases and lease payments recognized in the statements of comprehensive income are summarized in the following table:

Futures payments for operating leases	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Less than one year	814,345	160,208
Between one and five years	421,147	188,733
More than five years	227,172	118,033
Total	1,462,664	466,974

Rental fees recognized in the Statement of Income	6/30/2012 ThUS\$	3/31/2011 ThUS\$
Minimum payments for operating leases	115,147	76,123

14. Fair Value of financial assets and liabilities

As the book value of financial assets and liabilities is a reasonable approximation of their fair value, no incremental disclosures are required in accordance with IFRS 7.

15. Fair value hierarchy

Each of the estimated market values for the Corporation's portfolio of financial instruments, is based on a calculation and data input methodology. Each of these methodologies has been analyzed to determine to which of the following levels they can be assigned:

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- Level 1 corresponds to Fair Value measurement methodologies through market quotes (unadjusted) in active markets and considering the same valued Assets and Liabilities.
- Level 2 corresponds to Fair Value measurement methodologies using market quote data, not included in Level 1, that are either directly (prices) or indirectly (derived from the prices) observable for the valued Assets and Liabilities.
- Level 3 corresponds to Fair Value measurement methodologies that use valuation techniques that include data on the valued Assets and Liabilities that are not supported by observable market data.

Based on the methodologies, inputs, and previous definitions the following market levels have been established for the financial instruments portfolio held by the Corporation at June 30, 2012:

Financial Assets and liabilities at fair value with an effect in profit and loss statement	6/30/2012			
	Level 1 ThUS\$	Level 2 ThUS\$	Level 3 ThUS\$	Total ThUS\$
<i>Financial Assets:</i>				
Provisionally priced sales contracts	-	(71,106)	-	(71,106)
Cross Currency Swap	-	144,849	-	144,849
Mutual fund units	9,348	-	-	9,348
Metals Futures	9,386	-	-	9,386
<i>Financial Liabilities:</i>				
Metals Futures	368,864	-	-	368,864

No transfers between different levels of market values were observed for the reporting period.

16. Trade and other payables

Total trade and other payables, current and non-current, are detailed as follows:

Items	Current Liabilities	
	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Trade payables	1,228,902	1,475,980
Payables to employees	28,173	22,519
Withholdings	88,295	88,723
Tax withholdings	30,422	50,791
Other payables	101,264	144,446
Total	1,477,056	1,782,459

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17. Other provisions

Other short-term accrued expenses and provisions as of the indicated dates are detailed as follows:

Other provisions	Current		Non- Current	
	6/30/2012	12/31/2011	6/30/2012	12/31/2011
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade (1)	14,068	14,562	-	-
Operating (2)	59,632	43,810	-	-
Law No. 13,196	106,457	110,350	-	-
Sundry (3)	22,231	41,792	10,192	25,922
Closure, decommissioning and restoration (4)	-	-	876,674	861,530
Contingencies	504	-	126,446	125,989
Total	202,892	210,514	1,013,312	1,013,441

Accrual for employee benefits	Current		Non-current	
	6/30/2012	12/31/2011	6/30/2012	12/31/2011
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Employees' collective bargaining agreements	100,170	209,525	-	-
Employee termination benefit	47,340	45,494	716,944	692,206
Bonus	25,686	3,715	-	-
Vacation	129,036	128,994	-	-
Medical care programs (5)	490	521	340,431	336,862
Retirement plans (6)	39,552	62,003	-	-
Other	1,887	8,999	53,049	63,898
Total	344,161	459,251	1,110,424	1,092,966

- (1) Corresponds to a sales-related accrual, which includes charges for freight, loading, and unloading that were not invoiced at the end of the period.
- (2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.
- (3) Includes an accrual for uncompleted invoices for product purchases, which lowers the current provision and accrued expenses balance.
- (4) Corresponds to a provision for future closure costs primarily related to tailing dams, mine closure and other assets. This cost value is calculated to an actual value discounted at 3% annual rate and its discount period varies between 24 and 87 years.
The new Law of mine closure, published in Official Journal November 11, 2011, will have future impact on this provision as explained in note 29 "Contingencies and restrictions"
- (5) Corresponds to an accrual for contributions to medical care institutions agreed upon with current and former employees.
- (6) Corresponds to an accrual for employees who have agreed to retire in accordance with plans in force for personnel retirement.

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Movements of Other provisions were as follows:

Movements	1/1/2012		
	6/30/2012		
	Provision for mine closure ThUS\$	Contingencies ThUS\$	Other provisions ThUS\$
Opening balance	861,530	125,989	25,922
Annual cost	157	62	-
Adjustment property, plant equipment	19,311	-	-
Financial expenses	9,224	-	-
Payment of liabilities	(34,941)	(1,414)	-
Foreign Exchange rate differences	21,393	1,809	373
Reverses	-	-	(15,462)
Other variations	-	504	(641)
Final Balance	876,674	126,950	10,192

18. Employee benefits

a) Provisions for post employment benefits and other long term benefits

Provision for post employment benefits corresponds to medical care plans and is intended to cover the payment obligations that the Corporation has contracted with its employees, according to contracts or collective bargaining agreements, to partially cover the costs of medical services.

Other long term benefits provision refers to employee termination benefit for years of service which is registered to reflect the termination liabilities to be paid to employees when they leave the Corporation based on the agreements in the employment contracts or collective bargaining agreements.

These accruals are recorded in the statement of financial position, at the present value of estimated future obligations. The discount rate applied is determined on the basis of the rates of financial instruments in the same currency in which the obligations are to be paid and with similar maturities.

The results from adjustments and changes in actuarial variables are charged or credited to the statements of comprehensive income in the period in which they occur.

Actuarial assumptions for calculating the employee termination benefit accrual are as follows:

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Actuarial assumptions	
Discount rate	6.35% to 20 years
Turnover rate - resignation (Average) wage increase	3.11% Men --- 0.25% Women 0.9% - Annual
Men's retirement age	65
Women's retirement age	60

The Corporation has used the effective mortality schedules issued by the Superintendency of Securities and Insurance, last updated in 2009.

Reconciliation of post employment benefit and other long term benefits provision:

Movements	1/1/2012 6/30/2012		1/1/2011 6/30/2011	
	Retirement Plan	Health Plan	Retirement Plan	Health Plan
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	741,073	337,383	846,460	305,356
Cost	41,148	5,650	25,790	76,662
Finance expense	10,768	8,819	16,597	1,459
Indemnities paid	(24,994)	(6,863)	(81,458)	(5,954)
<i>Subtotal</i>	767,995	344,989	807,389	377,523
(Gains) Losses from foreign exchange differences	(3,711)	(4,068)	1,006	36
Total balance	764,284	340,921	808,395	377,559

b) Employee benefits expenses by nature of the benefits

The costs associated with employee benefits classified by their nature, are:

Expenses according to the nature of the benefits	1/1/2012 6/30/2012	1/1/2011 6/30/2011	4/1/2012 6/30/2012	4/1/2012 6/30/2012
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
	Current benefits	875,790	800,204	430,938
Post-employment benefits	5,650	76,662	2,473	66,354
Employee termination benefits	5,693	61,042	3,932	39,867
Benefits for indemnities	41,148	25,790	27,879	15,396
Total	928,281	963,698	465,222	507,585

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19. Net equity

In accordance with article 6 of Decree Law 1,350 of 1976, it is established that, before March 30 of each year, the Board must approve the corporation's Business and Development Plan for the next three-year period. Taking that plan as a reference, and keeping in mind the corporation's balance sheet for the immediately previous year, and in order to ensure its competitiveness, before June 30 of each year the amounts that the corporation shall allocate to the formation of capitalization funds and reserves shall be determined by founded decree from the Ministries of Mining and Treasury.

Net income shown in the balance sheets, after deducting the amounts referred to in the previous paragraph, shall belong to the State and becomes part of the Nation's general income.

On June 26, 2012, conforming decree law No. 674 of the Ministries of Mining and Finance the capitalization of reserve funds amounting to US\$ 800 million, corresponding to part of the profits generated by Codelco in 2011 was approved. Additionally and according to the provisions of decree law No. 1160 the Ministries of Mining and Finance authorized the retention of profits before tax of the year 2011 in an amount equivalent to US\$ 473 million through earnings obtained from sale of electricity assets.

As of June 30, 2012 and December 31, 2011, no dividends payable were provisioned due to the Corporation's authorized net income withholding policy.

In the financial statement "Statement of Changes in Net Equity" the changes experienced in the Corporation's equity are disclosed.

Due to the bylaws that govern the Corporation, these financial statements do not consider disclosure of information related to earnings per share.

The movement and composition of other equity reserves is presented in the Consolidated Statement of Changes in Net Consolidated Equity.

a) Other reserves

Other equity reserves are listed in the table below, as of the dates indicated in each case.

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Other reserves	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Foreign exchange differences on conversion reserves	585	283
Cash flow hedge reserves	(194,371)	(272,349)
Capitalization fund and reserves	2,729,556	1,456,476
Other reserves	640,575	645,109
Total other reserves	3,176,345	1,829,519

b) Non-controlling equity interests

The details of non-controlling equity interests, included in liabilities and net income, are listed in the table below, as of the dates indicated in each case.

Company	Net Equity		Profit (loss)			
	6/30/2012	12/31/2011	1/1/2012 6/30/2012	1/1/2011 6/30/2011	4/1/2012 6/30/2012	4/1/2011 6/30/2011
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Asociación Garantizadora de Pensiones	21	21	(1)	(1)	-	(1)
Biosigma S.A.	904	1,032	(628)	(587)	(449)	(235)
Instituto de Innovación en Minería y Metalurgia S.A.	-	4	-	-	-	-
Clínica San Lorenzo Ltda.	-	-	1	-	1	5
Micomo S.A.	783	946	(165)	(26)	(147)	(83)
Fundación de Salud El Teniente	17	17	-	2	1	3
TOTAL	1,725	2,020	(793)	(612)	(594)	(311)

20. Operating income

The following table shows the sources of the Corporation's consolidated revenue.

Item	1/1/2012 6/30/2012 ThUS\$	1/1/2011 6/30/2011 ThUS\$	4/1/2012 6/30/2012 ThUS\$	4/1/2011 6/30/2011 ThUS\$
Revenue from sales of the Corporation's copper	6,460,974	7,951,999	3,094,454	4,036,052
Revenue from sales of copper bought to third parties	817,933	657,403	389,027	363,036
Revenue from sales of molybdenum	308,064	371,433	148,671	194,389
Revenue from sales of other products	428,647	556,961	216,755	303,346
Loss in futures market	(390,819)	(657,748)	(187,963)	(321,721)
Total	7,624,799	8,880,048	3,660,944	4,575,102

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21. Expenses by nature

The Corporation's consolidated expenses by nature are detailed as follows:

Item	1/1/2012 6/30/2012 ThUS\$	1/1/2011 6/30/2011 ThUS\$	4/1/2012 6/30/2012 ThUS\$	4/1/2011 6/30/2011 ThUS\$
Personnel Expenses	875,790	800,204	430,938	385,958
Depreciation	510,132	496,645	254,463	251,412
Amortization	275,119	232,828	137,986	118,883
Total	1,661,041	1,529,677	823,387	756,263

22. Other revenues and expenses by function

Other revenues and expenses by function are detailed in the following tables:

a) Other income by function

Item	1/1/2012 6/30/2012 ThUS\$	1/1/2011 6/30/2011 ThUS\$	4/1/2012 6/30/2012 ThUS\$	4/1/2011 6/30/2011 ThUS\$
Penalties to suppliers	7,070	10,706	4,670	5,842
Realized income	2,188	3,248	1,041	1,626
Miscellaneous sales (net)	33,818	53,559	23,264	11,654
Profit of E-CL S.A. Sale	-	375,080	-	-
Profit of Inca de Oro Sale	-	72,463	-	-
Compensation by insurance companies	7,122	8	-	-
Other income	8,847	25,986	4,502	20,574
Total	59,045	541,050	33,477	39,696

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b) Other expenses by function

Item	1/1/2012	1/1/2011	4/1/2012	4/1/2011
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Law No. 13,196	(615,263)	(750,937)	(310,204)	(382,521)
Research expenses	(35,397)	(32,915)	(26,285)	(17,806)
Bonus for the end of collective bargaining	(29,773)	(169,637)	(16,106)	(168,155)
Retirement plan	(5,693)	(61,042)	(3,932)	(39,867)
Penalty fixed assets	(245)	-	(133)	-
Medical care plan	(5,650)	(76,662)	(2,473)	(66,354)
Actuarial results	-	(135,907)	-	(135,907)
Other Expenses	(36,985)	(24,720)	(17,544)	(8,071)
Total	(729,006)	(1,251,820)	(376,677)	(818,681)

23. Finance costs

Finance costs are detailed as follows:

Item	1/1/2012	1/1/2011	4/1/2012	4/1/2011
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bond interests	(169,537)	(34,837)	(127,058)	8,998
Bank loan interests	(3,652)	(8,227)	(1,482)	(4,750)
Exchange differences on severance indemnity provision	(10,768)	(16,597)	(5,317)	(8,407)
Exchange differences on other non-current provisions	(21,495)	(34,752)	(10,075)	(21,372)
Other	(17,404)	(11,445)	(9,330)	(4,645)
Total	(222,856)	(105,858)	(153,262)	(30,176)

24. Operating segments

In Section II, "Summary of Significant Accounting Policies" it has been indicated that, in conformity with IFRS No. 8, "Operating Segments", its operating segments are determined according to the Divisions that make up Codelco. The revenues and expenses of the Parent Corporation, are distributed among the defined segments.

Mining sites in operation, in which the Corporation carries out its extractive and processing production processes, are managed divided into its Chuquicamata, Radomiro Tomic, Salvador, Andina and El

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Teniente divisions. Additionally the division of Ventanas is added that is operating only as a smelter and refinery, and Ministro Hales that is estimated to be opened at the end of 2013. Those operations are administered independently and are reporting directly to the Executive President. Additionally, in May 2008, the Gabriela Mistral mine site was added to the divisions specified above. The details and operations related to each mine are the following:

Chuquicamata

Types of mine sites: open pit mines

Operating: since 1915

Location: Calama - Region II

Products: electrorefined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Radomiro Tomic

Types of mine sites: open pit mines

Operating: since 1997.

Location: Calama - Region II

Products: electrorefined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Salvador

Type of mine: underground mine

Operating: since 1926

Location: Salvador - Region III

Products: electrorefined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Andina

Type of mines: underground and open pit mines

Operating: since 1970

Location: Los Andes - Region V

Product: copper concentrate

El Teniente

Type of mine: underground mine

Operating: since 1905

Location: Rancagua - Region VI

Products: fire-refined copper and copper anodes

Ministro Hales

In charge of the future development of the open pit mine Ministro Hales whose authorization is dated November 19, 2010, estimated date for the start of operations is late 2013.

Gabriela Mistral

Type of mine: open pit mine

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Operating: since 2008
Location: Calama - Region II
Products: electrolytic (electro-obtained) cathodes

a) Head Office Distribution

Revenue and expenses controlled by the Parent Corporation are allotted to operating segments based on the criteria detailed as follows.

Main items are allocated according to the following criteria:

Sales and Cost of Sales of Head Office commercial transactions

- Distribution to the operating segments made proportionally to the value of the products and sub-products invoiced by each Division.

Other income, by function

- Other income by function, associated and identified with each operating segment, is allotted directly.
- Recognition of realized profits and other income by function of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining other income is distributed in proportion to the addition of balances of "other income" and "finance income" of the respective operating segment.

Distribution costs

- Expenses associated and identified with each operating segment are allotted directly.
- Distribution costs of subsidiaries are allotted in proportion to the operating income of each operating segment.

Administrative Expenses

- Administrative expenses associated and identified with each segment are allotted directly.
- Administrative expenses are recorded in cost centers associated with the sales function. Administrative expenses of subsidiaries are distributed in proportion to the operating income of each operating segment.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in relation to material account balances in each division warehouse

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- The remaining administrative expenses are distributed in relation to operating cash expenses of each operating segment.

Other Expenses, by function

- Expenses associated and identified with each operating segment are allotted directly.
- Expenses for pre-investment studies and other expenses of subsidiaries by function are distributed in proportion to the operating income of each operating segment.

Other Earnings

- Other earnings associated and identified with each individual operating segment are allotted directly
- Other earnings of subsidiaries are distributed in proportion to the operating income of each operating segment.

Finance Income

- Finance income associated and identified with each operating segment is allotted directly.
- Finance income of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining finance income is distributed in relation to the operating cash expenses of each operating segment.

Finance costs

- Finance costs associated and identified with each operating segment in particular are allotted directly.
- Finance costs of subsidiaries are distributed in proportion to the operating income of each operating segment.

Share in profit (losses) of Associates and joint ventures, which are accounted for using the equity method

- The share in profit or losses of associates and joint ventures identified for each individual operating segment is allotted directly.

Foreign currency conversion

- Foreign currency conversion identifiable with each individual operating segment is allotted directly.

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- Foreign currency conversion of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining foreign currency conversion is distributed in relation to operating cash expenses of each operating segment.

Contribution to the Treasury of Chile Law No. 13,196

- The amount of the contribution is distributed and accounted for in relation to values invoiced and accounted for in the copper and sub-product exports of each operating segment, subject to taxation.

Income tax income (expenses)

- First category income tax (corporate), of D.L. 2,398 and specific mining tax are distributed based on the pre-tax income of each operating segment, considering for this purpose the income and expenses distribution criteria of the Head Office and subsidiaries mentioned above.
- Other tax expenses are distributed in proportion to the first category income tax, specific mining tax and D.L. 2,398 allotted to each operating segment.

b) Transactions between segments

Transactions between segments are made up mainly by products processing services (or maquilas), which are recognized as revenue for the segment that makes maquilas and as the cost of sales for the segment that receives the service. Such recognition is performed in the period in which these services are provided, as well as disposal of both factors on corporate financial statements.

c) Cash flow from segments

The operating segments defined by the Corporation, maintain a cash management which refers mainly to operational activities that need to be covered periodically with fixed funds constituted in each of these segments and whose amounts are not significant in the context of the category Corporate balances cash and cash equivalents.

In other hand, activities like obtaining financing, investment and payment of relevant duties are mainly based at the Head Office.

Accordingly to previous information, in the next tables the financial information organized by operating segment is detailed as follows:

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Segments	From 1/1/2012 to 6/30/2012										
	Chuquicamata	R. Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Total Segments	Subsidiaries, associates and head office, net	Consolidated Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue from sales of the Corporation's cooper	1,346,100	1,629,676	267,822	860,221	1,548,339	296,850	518,536	-	6,467,544	(6,570)	6,460,974
Revenue from sales of cooper bought from third parties	-	-	-	-	-	44,323	-	-	44,323	773,610	817,933
Revenue from sales of molybdenum	131,073	21,152	11,372	50,771	93,696	-	-	-	308,064	-	308,064
Revenue from sales of other products	105,014	-	38,380	3,998	134,195	147,310	-	-	428,897	(250)	428,647
Revenue from futures market	(70,763)	(107,210)	(16,735)	(66,061)	(98,678)	-	(31,155)	-	(390,602)	(217)	(390,819)
Revenue between segments	52,497	-	22,590	621	992	30,106	-	-	106,806	(106,806)	-
Revenue from regular activities	1,563,921	1,543,618	323,429	849,550	1,678,544	518,589	487,381	-	6,965,032	659,767	7,624,799
Cost of sales of the Corporation's cooper	(1,025,651)	(719,882)	(276,088)	(433,364)	(684,066)	(306,849)	(292,312)	-	(3,738,212)	38,364	(3,699,848)
Cost of sales of cooper bought from third parties	-	-	-	-	-	(50,138)	-	-	(50,138)	(776,275)	(826,413)
Cost of sales of molybdenum	(34,933)	(11,257)	(7,189)	(12,229)	(23,640)	-	-	-	(89,248)	-	(89,248)
Cost of sales of other products	(27,003)	-	(22,917)	(73)	(72,947)	(161,674)	-	-	(284,614)	-	(284,614)
Cost of sales between segments	(128,453)	-	(40,338)	(1,186)	(2,682)	(34,476)	-	-	(207,135)	207,135	-
Cost of sales	(1,216,040)	(731,139)	(346,532)	(446,852)	(783,335)	(553,137)	(292,312)	-	(4,369,347)	(530,776)	(4,900,123)
Gross Profit	347,881	812,479	(23,103)	402,698	895,209	(34,548)	195,069	-	2,595,685	128,991	2,724,676
Other revenue per function	12,106	1,572	4,968	2,906	30,400	959	-	-	52,911	6,134	59,045
Distribution costs	(62)	(36)	(28)	(124)	(166)	-	-	-	(416)	(5,953)	(6,369)
Administrative expenses	(37,807)	(25,596)	(12,541)	(16,025)	(30,786)	(6,768)	(14,568)	1,265	(142,826)	(97,398)	(240,224)
Other expenses per function	(156,230)	(158,830)	(34,071)	(94,791)	(153,859)	(46,970)	(48,530)	(6)	(693,287)	(35,719)	(729,006)
Other gains (losses)	-	-	-	-	-	-	-	-	-	16,209	16,209
Finance income	2,101	942	499	922	3,442	574	314	10	8,804	10,058	18,862
Finance costs	(59,910)	(11,182)	(3,308)	(58,449)	(50,028)	(1,799)	(33,495)	(7)	(218,178)	(4,678)	(222,856)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	1,822	-	(508)	263	-	-	(12,601)	-	(11,024)	242,875	231,851
Exchange differences	(34,899)	(3,772)	(12,151)	(9,678)	(21,706)	(917)	(1,596)	1,087	(83,632)	7,359	(76,273)
Profit (loss) before taxes	75,002	615,577	(80,243)	227,722	672,506	(89,469)	84,593	2,349	1,508,037	267,878	1,775,915
Income tax expenses	(72,297)	(436,780)	45,414	(149,052)	(443,861)	51,577	(55,745)	(751)	(1,061,495)	(7,280)	(1,068,775)
Profit (loss)	2,705	178,797	(34,829)	78,670	228,645	(37,892)	28,848	1,598	446,542	260,598	707,140

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Segments	From 1/1/2011 to 6/30/2011										
	Chuquicamata	R. Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Total Segments	Subsidiaries, associates and head office, net	Consolidated Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue from sales of the Corporation's cooper	2,002,434	1,743,042	588,866	1,080,500	1,802,264	291,707	451,803	-	7,960,616	(8,618)	7,951,998
Revenue from sales of cooper bought from third parties	-	-	-	-	-	2,720	-	-	2,720	654,683	657,403
Revenue from sales of molybdenum	200,590	10,656	15,900	45,889	98,398	-	-	-	371,433	-	371,433
Revenue from sales of other products	236,758	-	62,924	7,293	91,826	158,160	-	-	556,961	-	556,961
Revenue from futures market	(164,343)	(149,076)	(51,609)	(102,936)	(152,352)	-	(37,069)	-	(657,385)	(362)	(657,747)
Revenue between segments	29,187	-	20,705	932	503	25,834	-	-	77,161	(77,161)	-
Revenue from regular activities	2,304,626	1,604,622	636,786	1,031,678	1,840,639	478,421	414,734	-	8,311,506	568,542	8,880,048
Cost of sales of the Corporation's cooper	(1,286,194)	(526,908)	(449,369)	(436,341)	(606,035)	(299,374)	(213,252)	-	(3,817,473)	22,938	(3,794,535)
Cost of sales of cooper bought from third parties	-	-	-	-	-	(3,620)	-	-	(3,620)	(645,500)	(649,120)
Cost of sales of molybdenum	(34,100)	(4,274)	(4,660)	(9,282)	(16,361)	-	-	-	(68,677)	-	(68,677)
Cost of sales of other products	(92,078)	36,863	(30,585)	7,040	(53,081)	(148,691)	-	-	(280,532)	(66,714)	(347,246)
Cost of sales between segments	(79,276)	-	(25,776)	(2,161)	(2,082)	(34,580)	-	-	(143,875)	143,875	-
Other cost of sales	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	(1,491,648)	(494,319)	(510,390)	(440,744)	(677,559)	(486,265)	(213,252)	-	(4,314,177)	(545,401)	(4,859,578)
Gross Profit	812,978	1,110,303	126,396	590,934	1,163,080	(7,844)	201,482	-	3,997,329	23,141	4,020,470
Other revenue per function	89,297	34,106	23,614	32,551	90,133	12,511	7,711	-	289,923	251,127	541,050
Distribution costs	(1,403)	(896)	(271)	(644)	(1,117)	(260)	(225)	-	(4,816)	(1,021)	(5,837)
Administrative expenses	(63,343)	(24,268)	(17,406)	(22,385)	(50,854)	(9,049)	(14,706)	(122)	(202,133)	(25,307)	(227,440)
Other expenses per function	(347,274)	(175,678)	(73,216)	(115,201)	(450,709)	(47,292)	(41,109)	(241)	(1,250,720)	(1,100)	(1,251,820)
Other gains (losses)	-	-	-	-	-	-	-	-	-	24,412	24,412
Finance income	7,212	2,068	1,289	2,136	5,935	556	703	-	19,899	2,128	22,027
Finance costs	(38,030)	(4,828)	(8,913)	(19,471)	(17,666)	(1,329)	(10,963)	-	(101,200)	(4,658)	(105,858)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	72,627	49,842	19,871	32,143	57,172	14,860	1,801	-	248,316	(123,772)	124,544
Exchange differences	5,837	(249)	(777)	1,352	10,035	(147)	629	807	17,487	24,386	41,873
Profit (loss) before taxes	537,901	990,400	70,587	501,415	806,009	(37,994)	145,323	444	3,014,085	169,336	3,183,421
Income tax expenses	(321,837)	(621,766)	(33,255)	(316,347)	(516,225)	32,091	(88,478)	(263)	(1,866,080)	(128,896)	(1,994,976)
Profit (loss)	216,064	368,634	37,332	185,068	289,784	(5,903)	56,845	181	1,148,005	40,440	1,188,445

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The assets and liabilities related to each operating segment, including the Corporation's corporate center (Parent Corporation) as of June 30, 2012 and December 31, 2011 are detailed in the following tables:

6/30/2012										
Balance Sheet Item	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries, associates and head office	Consolidated Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current asset	1,493,242	777,425	375,244	362,951	844,191	244,962	203,940	-	1,191,304	5,493,259
Non-current asset	2,569,083	1,277,344	647,563	3,411,220	3,232,633	253,582	1,038,764	121,125	3,348,819	15,900,133
Current liabilities	540,891	165,018	145,900	163,086	370,661	176,528	793	153,624	2,103,646	3,820,147
Non-current liabilities	967,096	194,452	187,024	159,521	607,117	30,931	206	-	8,582,086	10,728,433

12/31/2011										
Balance Sheet Item	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries, associates and head office	Consolidated Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current asset	1,234,261	714,252	337,625	298,668	796,300	251,296	220,463	93,490	1,960,565	5,906,920
Non-current asset	2,821,238	1,300,334	561,810	3,251,603	2,987,947	219,644	1,023,682	954,785	1,806,981	14,928,024
Current liabilities	629,056	181,284	144,564	232,512	425,734	106,737	463	127,904	2,567,828	4,416,082
Non-current liabilities	942,489	198,249	207,987	155,702	617,029	30,059	206	-	8,202,111	10,353,832

Revenue classified by geographical area is detailed as follows:

Revenue per geographical areas	1/1/2012	1/1/2011	4/1/2012	4/1/2011
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total revenue from local customers	605,487	603,518	313,691	305,037
Total revenue from foreign customers	7,019,312	8,276,530	3,347,253	4,270,065
Total	7,624,799	8,880,048	3,660,944	4,575,102

Revenue per geographical areas	1/1/2012	1/1/2011	4/1/2012	4/1/2011
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
China	1,779,099	2,339,656	880,366	1,092,378
Rest of Asia	1,750,449	2,079,136	1,668,881	1,142,188
Europe	1,354,715	1,948,645	733,542	1,008,918
Other	2,740,536	2,512,611	378,155	1,331,618
Total	7,624,799	8,880,048	3,660,944	4,575,102

Sales are allocated to different geographical areas depending on the residence of the clients that have signed sales contracts with Codelco.

Non-current assets other than financial instruments, deferred tax assets, Post-employment benefit assets, and rights arising under insurance contracts, are located mainly in Chile, with exceptions if not being significant, located in foreign subsidiaries, and that do not exceed more than 1% of such assets.

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25. Foreign exchange differences

According to Decree Law 1,350, the Corporation maintains its accounting records in United States dollars (US\$), recording transactions in currencies other than U.S. dollars at the exchange rate current at the date of each transaction and subsequently updating them, when necessary, according to the exchange rate determined by the Superintendency of Securities and Insurance as of closing reporting for each of the financial statements.

The following table summarizes the foreign exchange differences in Codelco Chile and subsidiaries' interim consolidated statements of income:

Gain (loss) from foreign exchange differences recognized in income	1/1/2012	1/1/2011	4/1/2012	4/1/2011
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Gain from foreign exchange differences	71,345	176,252	(35,203)	64,412
Loss from foreign exchange differences	(147,618)	(134,379)	31,901	(100,820)
Total foreign exchange differences, net	(76,273)	41,873	(3,302)	(36,408)

26. Statement of cash flows

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

Other collections from operating activities	1/1/2012	1/1/2011
	6/30/2012	6/30/2011
	ThUS\$	ThUS\$
VAT Refund	821,632	686,823
Other	229,914	739,242
Total	1,051,546	1,426,065

Other payments for operating activities	1/1/2012	1/1/2011
	6/30/2012	6/30/2011
	ThUS\$	ThUS\$
Contribution to the Chilean Treasury (Law No. 13,196)	(612,957)	(859,804)
Finance hedges and sales	(408,456)	(636,690)
VAT and other similar taxes paid	(779,133)	(667,952)
Total	(1,800,546)	(2,164,446)

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Other payments for operating activities	1/1/2012 6/30/2012 ThUS\$	1/1/2011 6/30/2011 ThUS\$
Sale of ECL-S.A.	-	1,055,351
Sale of Inca de Oro S.A.	-	33,000
Total	-	1,088,351

On February, 15, 2011 the association of Codelco with Minera PanAust IDO Ltda. was approved in relation to the mine site Inca de Oro. Additionally, Codelco became the holder of an equity interest of 34%, down from 100%, ceding control of Inca de Oro S.A. to PanAust IDO Ltda.

Loss of control over subsidiaries	1/1/2012 6/30/2012 ThUS\$	1/1/2011 6/30/2011 ThUS\$
Total consideration received	-	33,000
Consideration consisting of cash and cash equivalents	-	33,000
Balance of cash and cash equivalents in the subsidiaries (*)	-	575
Balance of other assets different than cash or cash equivalents (*)	-	-
<i>Current assets</i>	-	489
<i>Non-current assets</i>	-	2,665
<i>Current liabilities</i>	-	18
<i>Non-current liabilities</i>	-	-

(*) Statement of Financial Position as of January 1, 2011

27. Financial risk management, objectives and policies

Codelco has created committees within its organization to generate strategies with which to minimize the financial risks to which it may be exposed.

As June 30, 2012, the Market Risk Management Committee and the Vice-presidency of Management and Finance and the Vice-presidency of Commercialization are responsible for this.

The risks to which Codelco is exposed are detailed as follows, along with a brief description of the management procedures that are carried out in each case.

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a. Financial risks

- Exchange rate risk:

According to IFRS 7, exchange rate risk is understood to be the risk that arises from financial instruments that are denominated in foreign currencies, that is, a currency other than the Corporation's functional currency (U.S. dollar).

Codelco's activities that generate this exposure correspond to funding in UF, accounts payable and receivable in Chilean pesos, other foreign currencies used in its business operations and obligations with employees.

The majority of transactions in currencies other than US\$ are denominated in Chilean pesos.

Taking the assets and financial liabilities as of June 30, 2012 as the base, a fluctuation (positive or negative) of 10 Chilean pesos against the U.S. dollar (keeping the other variables constant), could affect profits by + / - US\$23 million. This result is obtained by identifying the principle areas affected by exchange rate, including assets and financial liabilities, in order to measure the impact on income that a variation of +/- 10 Chilean pesos would have to US\$, with respect to the real exchange rate as of the date of this financial statement.

- Interest rate risk:

This risk is generated by interest rate fluctuations in Codelco's investment and financing activities. This movement can affect future cash flows or the market value of fixed rate financial instruments.

These rate variations refer to U.S. dollar variations, mostly with respect to the LIBOR rate. To manage this risk, Codelco maintains an adequate combination of fixed and variable rate debt, which is complemented by the possibility of using interest-rate derivatives to meet the strategic guidelines defined by Codelco's Corporate Finance Department.

It is estimated that, on the basis of net debt as of June 30, 2012, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US\$6 million change in finance costs, before tax. This estimation is made by identifying the liabilities assigned to variable interest, accrued at the end of the financial statements, which may vary with a change of one percentage point in variable interest rates.

Total fixed and variable interest rate obligations maintained by Codelco as of June 30, 2012, amount to ThUS\$ 5,883,961 y ThUS\$ 1, 230,711 respectively.

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b. Market risks

- Commodity price risk:

As a result of its commercial operations and activities, the Corporation's income is mainly exposed to the volatility of copper prices and certain sub-products such as gold and silver.

Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average market price for specified future periods. The host contract is the sale of metals contained in the concentrate or cathode at the provisional invoice price, and the embedded derivative is the forward contract for which the provisional sale is subsequently adjusted. At the reporting date, the provisionally priced metal sales are marked-to-market, with adjustments (both gains and losses) being recorded in revenues in the consolidated statements of comprehensive income. Forward prices at the period end are used for copper sales, while period-end average prices are used for molybdenum concentrate sales due to the absence of assets futures market.

As of June 30, 2012, if the future price of copper were to vary by $\pm 5\%$ (with the other variables constant), net income would vary by \pm US\$133 million as a result of the mark to market adjustment of sales revenue at provisional prices current at June 30, 2012 (ThTMF 340). For the indicated estimate, all physical sales contracts were identified that will be valued according to the average of the month immediately prior to the closing date of the financial statements, after which the definitive liquidation price will be estimated if there is a difference of $\pm 5\%$ with respect to the known future price on that date for the given period.

In order to protect its cash flows and, if necessary, adjust its sales contracts to its commercial policy, the Corporation performs transactions in the copper futures market. At the reporting date, the contracts are adjusted to their fair value, registering that effect, at the maturity of the hedge operations, being recorded in revenues of product sales.

Forward prices at the period-end are used for copper sales, while period-end average prices are used for molybdenum concentrate sales due to the absence of assets future market.

As of June 30, 2012, a US¢ 1 variation in the price per pound of copper, because of the effect on derivative instrument contracts entered into by the Corporation, would result in a variation in revenue or payments for existing contracts (exposure) of US\$1 million, before taxes. This calculation is obtained from a simulation of the change of future copper prices, which are used to value all derivative instruments entered into by the Corporation. Estimates will vary if there is an increase / decrease of U.S. ¢ 1 in the price of the pound of copper.

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No hedging contracts have been entered into for the specific purpose of mitigating the price risk caused by fluctuations in the price of production supplies.

c. Liquidity risk

The Corporation ensures that it has sufficient resources, such as pre-approved credit lines (including refinancing), in order to meet short-term requirements, after considering the necessary working capital for its operations and any other commitments it has.

In this sense, Codelco Chile maintains resources at its disposal sufficient to meet its obligations, whether in cash, liquid financial instruments or credit facilities. .

In addition, the Finance Department constantly monitors the Corporation's cash flow projections based on short and long term projections and available financing alternatives. In addition, the Corporation estimates that it has enough room to increase the level of borrowing for the normal requirements of its operations and investments established in its development plan.

In this context, according to current existing commitments with creditors, the cash requirements to cover financial liabilities classified by maturity and presented in the statement of financial position are detailed as follows:

Maturities of financial liabilities at June 30, 2012	Less than a year ThUS\$	Between one and five years ThUS\$	More than five years ThUS\$
Loans from financial institutions	154,621	1,412,783	-
Bonds	818,619	996,992	4,029,557
Finance leases	24,939	41,184	54,155
Derivatives	470,119	1,600	-
Other financial liabilities	6,525	84,121	-
Total	1,474,823	2,536,680	4,083,712

d. Credit risk

This risk comprises the possibility that a third party does not fulfill its contractual obligations, thereby causing a loss for the Corporation.

Given the Corporation's sales policy, principally with cash and advance payments and bank letters of credit, the uncollectibility of client debt balances is minimal. This is complemented by the familiarity the Corporation has with its clients and the length of time it has operated with them. Therefore, the credit risk of these transactions is not significant.

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In general, the Corporation's other accounts receivable have a high credit quality according to the Corporation's evaluations, based on each debtor's solvency analysis and payment history.

The maximum credit risk exposure as of June 30, 2012 is reliably represented by the financial asset items presented in the Corporation's Statement of Financial Position.

The Corporation's accounts receivable do not include customers with balances that could be classified as a significant concentration of debt and would represent a material exposure for Codelco. This exposure is distributed among a large number of clients and other counterparties.

The client items include allowances, which are not significant, designed to cover possible insolvencies. These provisions are determined based on review of the debt balances and the clients' characteristics, to cover possible insolvencies.

Explanatory note 2 in "Trade and other receivables" presents overdue balances that have not been impaired.

The Corporation estimates that unimpaired amounts overdue over 30 days are recoverable based on clients' historical payment behavior and their existing credit ratings.

As of June 30, 2012 and December 31, 2011, there are no receivable balances that have been renegotiated.

Codelco works with major banks, which have high national and international ratings, and continually assesses them; therefore, the risk that could affect the availability of the Corporation's funds and financial instruments is not significant.

Also, in some cases, to minimize credit risk, the Corporation has contracted credit insurance policies through which it transfers to third parties the commercial risk associated with some aspects of its business.

During the first half of 2012 and 2011, no assets have been obtained as a result of the execution of guarantees contracted to insure the collection of third party debt.

Personnel loans are mainly generated by mortgage loans, according to programs included in collective agreements, which are guaranteed by housing mortgages which are paid for through payroll discounts.

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28. Derivatives contracts

As stated in the Board of Directors' policy, ratified on March 27, 2009, the Corporation has operations to hedge cash flows, to minimize the risk of foreign exchange rate variations and sales price variations, detailed as follows:

a. Exchange rate hedges

The Corporation maintains operations to protect against exchange rate variations. The negative exposure net of deferred tax amounts to ThUS \$45,187, and are scheduled to expire in August 2012 and April 2025.

The following table summarizes the exposure of the financial hedges contracted by the Corporation at June 30, 2012:

Hedge Item	Bank	Type of derivative contract	Maturity	Currency	Amount of the hedge item	Swap value	Exposure
Bono UF Maturity 2012	Banco Chile (Chile) - JP Morgan (USA)	Swap	9/1/2012	US\$	315,622	164,482	18,101
Bono UF Maturity 2025	Credit Suisse (USA)	Swap	4/1/2025	US\$	311,113	208,519	126,747
Total					626,735	373,001	144,848

The current methodology for valuing the currency swap, using the bootstrapping technique from the Mid and Mid Swap rates for Libor build curves (zero) in UF and USD respectively, from market information.

b. Cash flows and commercial policy adjustment hedging contracts

The Corporation performs transactions in the futures market, recording their results at maturity. These results are added to or deduced from sales revenue. This addition or deduction is made because sales revenue incorporates the positive or negative effect of market prices. At June 30, 2012, these operations generated a lower net income of ThUS\$ 389,452 (plus an effect of higher net income equivalent to ThUS\$ 217 in subsidiaries), which is detailed below:

b.1. Commercial operations of current copper contracts

The purpose of these contracts is to adjust the price of shipments to the price defined in the Corporation's related policy, defined in accordance with the London Metal Exchange (LME). As of June 30, 2012, the Corporation performed futures market transactions that represent 378,445 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

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The current contracts as of June 30, 2012 present a ThUS\$ 7,205 positive exposure, and their final result will only be known at their maturity, offsetting the hedging transactions with revenue from the sale of the hedged products.

The transactions completed between January 1 and June 30, 2012 generated a net positive effect on net income of ThUS\$ 6,334, which is deducted from the amounts paid for purchase contracts and added to the values received for sales contracts of the products affected by these pricing transactions.

b.2. Commercial Transactions of Current Gold and Silver Contracts

As of June 30, 2012 the Corporation maintains contracts for pricing the sale of gold for ThTOZ 7 and silver for ThTOZ 472.

The positive exposure at that date is ThUS\$ 209.

The transactions completed between January 1 and June 30, 2012 generated a positive effect on net income of ThUS\$ 970, which is subtracted from the amounts received for the sales contracts of the products affected by these pricing transactions. These hedging transactions mature in October 2012.

b.3. Cash flow hedging operations backed by future production

Also, to hedge future cash flows by ensuring the sale price of part of its production, copper futures transactions have been entered into for 75,000 tons of fine copper (TMF). The copper futures sales contracts mature in January 2013.

The current futures contracts as of June 30, 2012 present a ThUS\$ 366,893 negative exposure, and their final result will only be known at their maturity, offsetting their effects with the sale of the hedged products.

The futures transactions completed between January 1 and June 30, 2012, related to production sold, generated a lower income of ThUS\$ 396,756, which is the result of offsetting the hedging transaction and sales revenue from the sale of the products affected by this pricing. These results are presented by reducing net operating income.

The following table summarizes the exposure of the metal hedges contracted by the Corporation, indicated on previous letter b:

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6/30/2012	Maturity Date						Total	
	ThUS\$	2012	2013	2014	2015	2016		Following
Flex Com Copper (Asset)		6,263	1,329	24	-	-	-	7,616
Flex Com Copper (Liability)		(193)	(218)	-	-	-	-	(411)
Flex Com Gold/Silver		209	-	-	-	-	-	209
Copper Pricing		(305,812)	(61,081)	-	-	-	-	(366,893)
Metal Options		-	-	-	-	-	-	-
Total		(299,533)	(59,970)	24	-	-	-	(359,479)

12/31/2011	Maturity Date						Total	
	ThUS\$	2012	2013	2014	2015	2016		Following
Flex Com Copper (Asset)		176,973	1,554	-	-	-	-	178,527
Flex Com Copper (Liability)		-	(52)	-	-	-	-	(52)
Flex Com Gold/Silver		131	-	-	-	-	-	131
Copper Pricing		(661,714)	(60,287)	-	-	-	-	(722,001)
Metal Options		-	-	-	-	-	-	-
Total		(484,610)	(58,785)	-	-	-	-	(543,395)

6/30/2012	Maturity Date						Total	
	Th TM/Onzas	2012	2013	2014	2015	2016		Following
Copper Futures [TM]		209.0	149.9	19.1	-	0.5	-	378.5
Gold/Silver Futures [MOZ]		479.4	-	-	-	-	-	479.4
Copper Pricing [TM]		62.5	12.5	-	-	-	-	75.0
Copper Options [TM]		-	-	-	-	-	-	-

12/31/2011	Maturity Date						Total	
	Th TM/Onzas	2012	2013	2014	2015	2016		Following
Copper Futures [TM]		352.0	47.9	0.5	-	0.5	-	400.9
Gold/Silver Futures [MOZ]		424.2	-	-	-	-	-	424.2
Copper Pricing [TM]		137.5	12.5	-	-	-	-	150.0
Copper Options [TM]		-	-	-	-	-	-	-

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29. Contingencies and restrictions

a) Litigations and contingencies

There are various lawsuits and legal actions initiated by or against the Corporation, which derive from its operations and the industry in which it operates. In general, these are civil, tax, labor and mining litigations, all related to the Corporation's activities.

In the opinion of Management and its legal advisors, the lawsuits in which the Corporation is being sued, and could have negative results, do not represent significant loss contingencies or cash flows. Codelco defends its rights and employs all corresponding relevant legal instances, resources and procedures.

The most significant lawsuits that involve Codelco are related to the following matters:

- Tax Lawsuits: There are several tax lawsuits due to Internal Revenue Service tax assessments, for which the Corporation has filed the corresponding opposition.
- Labor Lawsuits: Labor lawsuits filed by workers of the Andina Division against the Corporation, relating to occupational illness (silicosis).
- Mining and Other Lawsuits derived from operations: The Corporation has been participating and will probably continue to participate as a claimant and defendant in certain lawsuits relating to its operations and mining activities, through which it seeks to exercise or oppose certain actions or exceptions with regard to certain mining concessions that have been established or are pending constitution, and its other activities. These processes do not currently have a fixed amount and not essentially affect the development of Codelco.

A case by case analysis of these lawsuits has shown that there are a total of 288 cases that have a clearly estimated value. It is estimated that 118 of these, which represent 67% of the total and which amount to ThUS\$ 73,219, could have a negative impact on the Corporation. There are also 45 lawsuits, representing 12% of the total and which amount to ThUS\$ 14,126, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 125 remaining cases, amounting to ThUS\$ 22,306, the Corporation's legal advisors believe that an unfavorable outcome is unlikely. In addition, there are 79 lawsuits for undetermined amounts; it is believed that the result of 38 of these could be unfavorable to Codelco.

Additionally, the Corporation is in the process of responding to, by the corresponding deadlines, a resolution of the Internal Revenue Service that originates from a review of taxable income from prior years related to a product sales contract signed with a related company.

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The necessary provisions have been made for the lawsuits with probable losses and their legal costs, these provisions are recorded as contingency provisions.

As is public knowledge, the Corporation has submitted Appeals for Protection before the respective Courts of Appeals, challenging the findings reported by the Labor Department, deriving from inspections performed under the framework of Law No.20,123, which regulates subcontracted work schemes and temporary service firms. Five of these appeals were accepted and one was rejected, the latter of which has been appealed by the Corporation. All appeals are currently pending in the Supreme Court.

b) Other Commitments

- i. On February 29, 2010, the Board agreed to continue mining operations of the Salvador Division until 2016, and if market and operating conditions are maintained, until 2021, both extensions are subject to the condition that management improvements and cost reduction commitments made by the Division are met, these commitments were filed at the Board of Directors in August 2010, and the extension was approved.
- ii. On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, Copper Partners Investment Company Ltd., in which both companies have an equal equity interest. A 15-year copper cathode sales contract to that associated company was agreed upon, as well as a purchase contract from Minmetals to the latter for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid by the buyer at a price formed by a fixed re-adjustable component plus a variable component, which depends on current copper prices at the time of shipment.

During the first quarter of 2006 and on the basis of the negotiated financial terms, financing contracts were formalized with the China Development Bank allowing Copper Partners Investment Company Ltd. to make the US\$550 million advance payment to Codelco in March 2006.

As of June 30, 2012, the contract is operational, and monthly shipments began in June 2006.

With regard to financial obligations incurred by the associate Copper Partners Investment Company Ltd. with the China Development Bank, Codelco Chile and Codelco International Ltd. must meet certain commitments, mainly relating to the delivery of financial information. In addition, Codelco Chile must maintain 51% ownership of Codelco International Limited.

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According to the Sponsor Agreement, dated March 8, 2006, the Codelco International Ltd. subsidiary gave its participation in Copper Partners Investment Company Limited as a guarantee to the China Development Bank.

Subsequently, on March 14, 2012, Copper Partners Investment Company Ltd. paid off his debt to the abovementioned bank. As of June 30, 2012, Codelco does not hold any indirect guarantee regarding its participation in this associated company.

- iii. In October 2011, the Corporation, along with Mitsui & Co., Ltd.(Mitsui) engaged in a credit agreement for up to U.S. \$6,750 million, payable until August 1, 2012 with the purpose to finance Codelco's purchase option, that Codelco formally executed on January 2, 2012, over the 49% of the shares of Anglo American Sur SA ("AA Sur").

The credit mentioned before will be awarded, guaranteed by a subsidiary of Codelco, Acrux Mining Investments SpA (Acrux), and will contribute directly or indirectly to the shares acquired.

Under additional agreements with Mitsui, Codelco has a mechanism for managing certain risks associated with compliance of its 0073 obligations under the credit agreement, under which it has the right, but not the obligation, to transfer shares to Mitsui representing 50% of the total shares issued by Acrux, at the given subscription price, but subject to certain adjustments (with an approximate value assigned to 49% of the shares of Anglo American Sur S.A. of approximately U.S. \$ 9,760 million) against the capitalization of part of the credit granted to Acrux. In this situation, the balance of outstanding debt with Mitsui will be amended and shall be payable within 5 years, guaranteed by the shares of Acrux and without Codelco's guarantee.

At June 30, 2012, the said credit agreement remains in force. The abovementioned credit has not been used by Codelco due to the fact that Anglo American has not complied with its obligation to transfer 49% of the shares of "AA Sur" to Codelco. The compliance is being executed by the court.

The operation described above has been completed through a reconciliation process, called for by the 14th Civil Court of Santiago, dated after the date of these financial statements, according to the Essential Facts reports, both dated August 23, 2012, sent to the Superintendency of Securities and Insurance, and the terms of which are detailed in Note 33 "Subsequent Events" of this document.

- iv. The Corporation has signed gas supply contracts with its associate GNL Mejillones S.A., which began operations in October 2010, and through this contract, the associate agrees to sell part of a minimum equivalent to 27 Terra BTU's (British Thermal Units) per year

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during the 2010 - 2012 period. Additionally, the Corporation has signed an option contract together with other participating mining companies that includes the option to:

- Acquire the right to the long-term use of the terminal's capacity from the end of the contract, or
- To acquire the company's shares; the companies are committed to choosing one or other of these two alternatives.

On June 30, 2012, the Corporation has guarantees for 37% of the total exposure of the derivative transactions made by GNL Mejillones S.A., up to a maximum of ThUS\$ 229,400.

- v. Law 19,993 dated December 17, 2004, which authorized the purchase of the Fundación y Refinería Las Ventanas assets from ENAMI, established that the Corporation must ensure that the smelting and refining capacity required is maintained, without any restriction and limitation, for treating the products of the small and medium mining sector sent by ENAMI, under the form of toll production mode or another form agreed upon by the parties.
- vi. Obligations with the public for bond issues means that the Corporation must meet certain restrictions related to limits on pledges and leaseback transactions on its principal assets and on its ownership interest in subsidiaries.

The Corporation, as of June, 30, 2012 and 2011, has met these conditions.

- vii. On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power purchases for a total of 351 MW. The contract provides a discount for that energy consumption due to lower demand from Codelco's SIC divisions with respect to the amount of contracted power. The discount is equivalent to the value of the sale of that energy on the spot market.

In addition, through a supplementary agreement, Codelco has ensured the supply by Colbún of 159 MW, adapted to Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

This contract is based on energy production from Colbún's Santa María thermal power station, which is currently under construction. This plant is coal-fired, and therefore the electric energy tariff rate applied for the energy supplied to Codelco is linked to the price of coal.

Through these contracts, which operate through take or pay, the Corporation agrees to pay for the contracted energy and Colbún undertakes to return at market price the energy not consumed by Codelco.

These contracts have maturity date in 2027 and 2045.

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- viii. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A.(associate until January 2011), with a maturity in 2017:
- This Contract replaces the one signed on November 22, 1995, for the supply of electricity to the Chuquicamata work center, for a 15-year term beginning in January 2010 for between 200 and 280 MW in power and all associated electric energy. The approximate cost of the contract is US\$1,380 million for the whole period.
 - Modification of the contract dated December 21, 1995 for the Radomiro Tomic work center, for a maximum power of 110 MW, in which new prices are established, for the power and energy contemplated in the contract as well as their new adjustment formulas from January 2010.

- ix. On December 31, 2009, Codelco has signed a purchase contract with Empresa Nacional de Electricidad S.A., for the purchase of power and electricity from the Central Interconnected System (SIC) to meet Codelco's requirements for its Salvador Division.

The contract is effective from April 1, 2010 until March 31, 2013. The maximum power agreed reaches HP 70 (MW) and HFP 71 (MW).

- x. During the fourth quarter of 2011, the Corporation entered into business relations with various financial institutions, including a certain bilateral funding commitment on June 30, 2012, totaling an amount of up to US\$ 500 million. The agreement was signed with the aim of Codelco, when so required and within the limits laid down in the contracts, to have the necessary funds to finance investments and refinance liabilities.
- xi. On November 11, 2011, Law No. 20,551 was published in the Official Journal, which regulates the tasks and closure of mining facilities.

This law requires the Corporation, among other requirements, to provide financial guarantees to the State to ensure the implementation of closure plans. It also establishes the obligation to make contributions to a fund which aims to cover the costs of post-closure activities.

The enforcement of this law will start one year after its publication in the Official Journal, the date on which Codelco shall determine, provide and make available the guarantee of its retirement obligation. These valuations must be approved, so that the guarantees begin to be granted starting from the first business day after the sixth month from the date of such approval.

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- xii. On May 24, 2012, the Corporation has signed a deal with Japan Bank for International Cooperation and Bank of Tokyo-Mitsubishi UFJ Ltd., for a financing contract for up to US\$ 320 million for the development, construction and operation of a plant metal processing in the second region of Chile.

On June 30, 2012, actual disbursements of this funding have not been materialized.

30. Guarantees

The Corporation as a result of its activities has received and given guarantees.

In the following tables are the main guarantees given to financial institutions:

Direct Guarantees provided to Financial Institutions				
Creditor of the Guarantee	Type of Guarantee	6/30/2012		12/31/2011
		Maturity	ThUS\$	ThUS\$
Koch Supply & Trading LP	Standby Letter - Banco Santander Chile	Jan - 2012	-	25,000
Total			-	25,000

Indirect Guarantees given to Financial Institutions					
Creditor of the Guarantee	Debtor guaranteed	Relationship	Type of guarantee	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Barclays Bank PLC	Sociedad GNL Mejillones S.A.	Associate	Guarantee	37,000	74,000
Morgan Stanley Capital Group INC.	Sociedad GNL Mejillones S.A.	Associate	Guarantee	148,000	148,000
Koch Supply & Trading LP	Sociedad GNL Mejillones S.A.	Associate	Guarantee	44,400	44,400
China Development Bank	Copper Partners Investment Co. Ltd.	Associate	Rights	-	59,621
Total				229,400	326,021

As for the documents received as collateral, they cover mainly obligations of suppliers and contractors related to the various development projects. Below are given the amounts received as collateral, grouped according to the Operating Divisions that have received these amounts:

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Guarantees received from third parties		
Division	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Andina	26,927	41,491
Chuquicamata	59,213	69,210
Casa Matriz	319,598	207,967
Radomiro Tomic	17,423	23,003
Salvador	33,701	1,400
Ministro Hales	5,232	6,244
El Teniente	74,275	96,491
Ventanas	3,684	3,015
Total	540,053	448,821

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31. Balances in foreign currency

a) Assets by Type of Currency

Item	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Liquid Assets	701,288	1,576,113
US Dollars	653,284	1,362,980
Euros	560	489
Other currencies	7,548	2,555
Non-indexed Ch\$	20,972	18,023
U.F.	18,924	192,066
Cash and Cash Equivalents	672,140	1,382,876
US Dollars	643,838	1,362,612
Euros	155	179
Other currencies	7,548	2,555
Non-indexed Ch\$	19,776	17,530
U.F.	823	-
Other current financial assets	29,148	193,237
US Dollars	9,446	368
Euros	405	310
Other currencies	-	-
Non-indexed Ch\$	1,196	493
U.F.	18,101	192,066
Short and long terms receivables	2,161,773	2,233,207
US Dollars	1,552,161	1,669,982
Euros	128,357	99,803
Other currencies	21,605	18,020
Non-indexed Ch\$	452,563	311,963
U.F.	7,087	133,439
Trade and other receivables	1,918,550	1,968,269
US Dollars	1,444,031	1,537,815
Euros	126,891	98,300
Other currencies	21,605	18,020
Non-indexed Ch\$	318,936	311,913
U.F.	7,087	2,221

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Item	6/30/2012 ThUS\$	12/31/2011 ThUS\$
Rights receivables, non-current	135,094	132,721
US Dollars	1	-
Euros	1,466	1,503
Other currencies	-	-
Non-indexed Ch\$	133,627	-
U.F.	-	131,218
Due from related companies, current	51,676	56,357
US Dollars	51,676	56,341
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	-	16
U.F.	-	-
Due from related companies, non-current	56,453	75,860
US Dollars	56,453	75,826
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	-	34
U.F.	-	-
<u>Rest of assets</u>	18,530,331	17,025,624
US Dollars	15,424,510	16,115,389
Euros	377,944	138,349
Other currencies	25,981	5,415
Non-indexed Ch\$	1,997,013	672,820
U.F.	704,883	93,651
<u>Total Assets</u>	21,393,392	20,834,944
US Dollars	17,629,955	19,148,351
Euros	506,861	238,641
Other currencies	55,134	25,990
Non-indexed Ch\$	2,470,548	1,002,806
U.F.	730,894	419,156

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b) Liability by type of currency:

Current liabilities by currency	6/30/2012		12/31/2011	
	Up to 90 days ThUS\$	From 90 days to 1 year ThUS\$	Up to 90 days ThUS\$	From 90 days to 1 year ThUS\$
	Current liabilities	2,461,185	1,358,962	2,777,535
US Dollars	1,893,118	975,819	1,666,726	1,286,447
Euros	16,834	18,131	88,393	38,714
Other currencies	1,349	49	42,744	-
Non-indexed Ch\$	544,882	39,007	955,950	5,182
U.F.	5,002	325,956	23,722	308,204
Other current financial liabilities	141,320	1,333,503	4,877	1,638,547
US Dollars	139,930	975,819	4,716	1,286,447
Euros	-	18,131	-	38,714
Other currencies	-	-	-	-
Non-indexed Ch\$	313	14,097	-	5,182
U.F.	1,077	325,456	161	308,204
Bank loans	133,340	21,281	-	41,276
US Dollars	133,340	1,055	-	2,106
Euros	-	18,131	-	38,714
Other currencies	-	-	-	-
Non-indexed Ch\$	-	2,095	-	225
U.F.	-	-	-	231
Bonds	-	818,619	-	802,954
US Dollars	-	495,894	-	496,272
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch\$	-	-	-	-
U.F.	-	322,725	-	306,682
Finance lease	1,455	23,484	4,877	18,077
US Dollars	71	20,753	4,716	17,572
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch\$	307	-	-	-
U.F.	1,077	2,731	161	505

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Current liabilities by currency	6/30/2012		12/31/2011	
	Up to 90 days ThUS\$	From 90 days to 1 year ThUS\$	Up to 90 days ThUS\$	From 90 days to 1 year ThUS\$
	Other	6,525	470,119	-
US Dollars	6,519	458,117	-	770,497
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch\$	6	12,002	-	4,957
U.F.	-	-	-	786
Other current liabilities	2,319,865	25,459	2,772,658	-
US Dollars	1,753,188	-	1,662,010	-
Euros	16,834	-	88,393	-
Other currencies	1,349	49	42,744	-
Non-indexed Ch\$	544,569	24,910	955,950	-
U.F.	3,925	500	23,561	-

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Non-current liabilities by currency	6/30/2012				12/31/2011			
	1 to 3	3 to 5	5 to 10	More than	1 to 3	3 to 5	5 to 10	More than
	years	years	years	10 years	years	years	years	10 years
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-current liabilities	5,466,052	1,192,834	2,747,851	1,321,696	5,491,370	800,202	1,623,675	2,438,585
US Dollars	4,546,625	1,141,736	2,727,056	986,057	4,306,911	798,637	1,604,281	2,118,216
Euros	19	-	-	-	-	-	-	-
Other currencies	18	-	-	-	-	-	-	-
Non-indexed Ch\$	40,177	43,955	-	-	801,765	-	-	-
U.F.	79,213	7,143	20,795	335,639	382,694	1,565	19,394	320,369
Other non-current financial liabilities	1,401,966	1,148,879	2,747,851	1,321,696	1,532,692	800,202	1,623,675	2,438,585
US Dollars	1,357,194	1,141,736	2,727,056	986,057	1,529,318	798,637	1,604,281	2,118,216
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	44,772	7,143	20,795	335,639	3,374	1,565	19,394	320,369
Bank loans	277,641	1,135,142	-	-	412,101	784,544	-	-
US Dollars	266,117	1,135,142	-	-	410,258	784,544	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	11,524	-	-	-	1,843	-	-	-
Bonds	996,992	-	2,707,861	1,321,696	996,310	-	1,573,504	2,438,585
US Dollars	996,992	-	2,707,861	986,057	996,310	-	1,573,504	2,118,216
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	-	-	-	335,639	-	-	-	320,369
Financial Lease	41,612	13,737	39,990	-	40,266	15,658	50,171	-
US Dollars	8,364	6,594	19,195	-	38,735	14,093	30,777	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	33,248	7,143	20,795	-	1,531	1,565	19,394	-
Others	85,721	-	-	-	84,015	-	-	-
US Dollars	85,721	-	-	-	84,015	-	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other non-current financial liabilities	4,064,086	43,955	-	-	3,958,678	-	-	-
US Dollars	3,189,431	-	-	-	2,777,593	-	-	-
Euros	19	-	-	-	-	-	-	-
Other currencies	18	-	-	-	-	-	-	-
Non-indexed Ch\$	840,177	43,955	-	-	801,765	-	-	-
U.F.	34,441	-	-	-	379,320	-	-	-

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32. Sanctions

As of June 30, 2012 and December 31, 2011, neither Codelco Chile nor its Directors and Managers have been sanctioned by the Superintendency of Securities and Insurance or any other administrative authorities.

33. Subsequent events

- On July 3, 2012, the Corporation reported the following essential event:

Inversiones Copperfield Ltda. sold, assigned and transferred all owned shares in Inversiones Tocopilla 2-B S.A. to Codelco. With the above transaction, all the shares of Inversiones Mejillones 2 S.A. were also transferred to Codelco. Both companies involved in the transactions were direct or indirect subsidiaries of Codelco, the latter becoming the owner of 100% of their shares for a continuous period exceeding ten days, so there has been in full dissolution of Inversiones Tocopilla 2-B S.A. and Inversiones Mejillones 2 S.A..

- On July 10, 2012, Codelco issued two bonds with a total value of US \$ 2,000 million at 10 and 30 year terms at an international market.

The 10-year bonds have a total value of US\$ 1,250 million with a coupon of 3% and a yield of 3.157% per annum.

The 30-year bonds have a total value US\$ 750 million with a coupon of 4.25% and a yield of 4.398% per annum.

These resources will allow the refinancing of liabilities and are an important part of the financing of investments in 2013.

- On August 23, 2012, it was reported as an essential event that Anglo American plc ("Anglo American") and Corporación Nacional del Cobre de Chile ("Codelco") signed an agreement to form a new partnership in respect of certain of Anglo American's copper interests in Chile, known as Anglo American Sur ("AA Sur").

Anglo American and Codelco have settled their respective claims in relation to the AA Sur option agreement as a result of extensive discussion and the conclusion that all parties have acted in good faith and without wrongdoing in connection with the settled claims.

As a result of the aforementioned agreement, Anglo American maintains control of AA South though reducing its ownership from 75.5% to 50.1%, while a joint venture of Codelco and Mitsui

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(Acrux Spa controlled by Codelco with its 83.051% share interest (Mitsui will have 16.949% share interest)), will acquire a 29.5 percent interest. The deal consisted of the two following transactions:

- 24.5% of the property in AA South with a net total of US\$ 1,700 million, plus the expenditure of US\$ 163 million for financial expenses and credit taxation was funded through a Mitsui loan. The market value of this stake has been estimated at US\$ 5,390 million.
- Mitsui, in the context of its partnership with Codelco, will buy a 5% shareholding for another \$1.1 billion, with shares made up of 0.9 percent from Anglo and 4.1 percent from Mitsubishi. The acquisition of the abovementioned 4.1 percent is subject to clearance by competition authorities in Brazil. Pending such clearance, Anglo American has agreed to acquire from Mitsubishi a 4.1% shareholding in AA Sur for cash consideration of approximately \$890 million and has agreed, upon clearance, to on sell that 4.1% shareholding in AA Sur to the Codelco/Mitsui joint venture for cash consideration of approximately \$890 million.

As part of this transaction, the shareholders of AA South have agreed to include further assets in the transfer from AA Sur to Codelco, two groups of undeveloped mining concessions located east of Codelco's Andina division, called Profundo Este and Los Lions. The total value, according to third-party technical estimates, is \$ 400 million.

Proceeds from the transaction described above, will provide the Corporation with a financial profit estimated before and after taxes of ThUS\$ 3,759, and ThUS\$ 2,904, respectively, which do not represent cash flows.

AA Sur shareholders have entered into a shareholders' agreement that provides a framework for the administration of AA Sur. This agreement confirms that Anglo American will retain control of the company and granted board representation and participation in certain decisions to Codelco.

Moreover, following the agreement Mitsui believes that Codelco can offer a refinancing of the credit over US\$ 1,863 million at competitive current credit market terms. If Codelco decides to accept this refinancing, Mitsui will have the opportunity to purchase additional shares from Codelco of 15.25% in the aforementioned joint venture. The valuation is based on the actual sales of share interest by Anglo-American to Mitsubishi.

As part of this partnership between Codelco and Mitsui various opportunities including future joint ventures on Codelco's international expansion and business opportunities in the lithium, molybdenum, sulfates and other alliances commercial business of mining equipment and supplies will be considered and evaluated.

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The Company's management is not aware of other significant financial events or events of other nature, occurring between 1 July 2012 and the date of issuance of these financial statements (August 30, 2012), which may affect them.

34. Environmental Expenditures

Each of CODELCO's operations is subject to national, regional and local regulations related to protection of the environment and natural resources, including standards relating to water, air, noise and disposal and transportation of dangerous residues, among others. Chile has adopted environmental regulations that have obligated the companies that operate in the country, including CODELCO, to carry out programs to reduce, control or eliminate relevant environmental impacts. CODELCO has executed and shall continue to execute a series of environmental projects to comply with these regulations.

Consequently with the Letter of Values approved in 2010, CODELCO is governed by a series of internal policies and regulations that frame its commitment to the environment, including the Sustainable Development Policy (2003) and the Corporate Security, Occupational Health and Environmental Management Policy (2007).

The environmental management systems of the divisions and the Parent Corporation, structure their efforts in order to comply with the commitments assumed by the Corporation's environmental policies, incorporating planning, operation, verification and activities review elements. As of June 30, 2012, they have received ISO 14001 certification for the environmental management of the Chuquicamata, Radomiro Tomic, Andina, Salvador, El Teniente and Ventanas Division, Gaby Operation and the Parent Corporation.

To comply with the Circular N°1.901 from 2008 of the Chilean Superintendency of Securities and Insurance, below are the details of the Corporation's main expenditures related to the environment during the six-month periods ended as of June 30, 2012 and 2011 respectively, and the projected future expenses.

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Corporation	Project	Disbursements made uo to 6/30/2012				6/30/2011	Expenditures	
		Project Status	Amount ThUS\$	Asset/ Expenditure	Asset Item / Expenditure	Amount ThUS\$	Amount ThUS\$	Estimated Date
	Chuquicamata		41.255			40.180	69.333	
Codelco Chile	Talambre dam extension, 7th stage	In process	9.004	Asset	Property, plant and equipment	-	66.557	2013
Codelco Chile	Expansion capacity Talabre dam, 8th stage	In process	1.292	Asset	Property, plant and equipment	-	2.845	2012
Codelco Chile	Emergency restoration system dust control crushing plant 2 ° / 3 °	In process	-	Asset	Property, plant and equipment	-	14.141	2012
Codelco Chile	Acid plants	In process	29.370	Expenditure	Administrative expenses	34.140	176.250	2012
Codelco Chile	Solid waste	In process	336	Expenditure	Administrative expenses	3.010	2.020	2013
Codelco Chile	Water treatment plant	In process	1.253	Expenditure	Administrative expenses	3.030	7.520	2014
	Salvador		20.984			24.718	8.299	
Codelco Chile	Dust collection improvement	In process	370	Asset	Property, plant and equipment	-	4.449	2013
Codelco Chile	Trench construction of hazardous waste	In process	705	Asset	Property, plant and equipment	-	101	2012
Codelco Chile	Construction V stage of tailing treatment	In process	1.758	Asset	Property, plant and equipment	-	2.884	2013
						24.200		
Codelco Chile	Acid plants	In process	17.665	Expenditure	Administrative expenses	-	-	
Codelco Chile	Solid waste	In process	396	Expenditure	Administrative expenses	333	785	2012
Codelco Chile	Water treatment plant	In process	90	Expenditure	Administrative expenses	185	80	2012
	Andina		18.158			6.012	222.825	
Codelco Chile	Construction of water trap for east ballast deposit	In process	2.758	Asset	Property, plant and equipment	3.167	17.216	2014
Codelco Chile	Construction of drain tanks 2	Finished	-	Asset	Property, plant and equipment	1.436	-	2011
Codelco Chile	District warehouse installation	In process	317	Asset	Property, plant and equipment	-	85	2012
Codelco Chile	Drains expansion stage 5	In process	4.182	Asset	Property, plant and equipment	-	14.499	2013
Codelco Chile	Drain water treatment	In process	8.028	Asset	Property, plant and equipment	-	154.329	2014
Codelco Chile	Building evacuation and capturing towers Ovejería	In process	358	Asset	Property, plant and equipment	-	27.051	2014
Codelco Chile	Construction Ovejería tailings canal	In process	39	Asset	Property, plant and equipment	-	4.969	2013
Codelco Chile	Improved interception infiltrates Ovejería	In process	692	Asset	Property, plant and equipment	-	3.065	2013
Codelco Chile	Solid waste	In process	965	Expenditure	Administrative expenses	885	1.090	2012
Codelco Chile	Water treatment plant	In process	819	Expenditure	Administrative expenses	524	521	2012
Subtotal			80.397			70.910	500.457	

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Corporation	Project	Disbursements made uo to 6/30/2012				6/30/2011	Expenditures	
		Project Status	Amount ThUS\$	Asset/ Expenditure	Asset Item / Expenditure	Amount ThUS\$	Amount ThUS\$	Estimated Date
	El Teniente		68.925			75.588	132.321	
Codelco Chile	Construction of the 5th stage in Caren reservoir	In process	4.001	Asset	Property, plant and equipment	26.552	9.606	2012
Codelco Chile	Online monitoring of tailing dam	In process	1.627	Asset	Property, plant and equipment	-	244	2012
Codelco Chile	Tailing expansion of waterfal 4	In process	754	Asset	Property, plant and equipment	-	24	2012
Codelco Chile	Tailing expansion of route 5	In process	745	Asset	Property, plant and equipment	-	4.242	2012
Codelco Chile	Construction of the 6th stage Caren Reservoir	In process	-	Asset	Property, plant and equipment	-	14.977	2013
Codelco Chile	Acid plants	In process	54.199	Expenditure	Administrative expenses	42.867	86.523	2012
Codelco Chile	Solid waste	In process	1.981	Expenditure	Administrative expenses	1.250	2.895	2012
Codelco Chile	Water treatment plant	In process	5.618	Expenditure	Administrative expenses	4.919	13.810	2012
	Minera Gaby		-			3.210	-	
Minera Gaby S.p A.	Installation of gravel dump phase IV	Finished	-	Asset	Property, plant and equipment	3.210	-	
	Ventanas		24.968			13.893	20.605	
Codelco Chile	Mitigation of environmental concentrator stock	In process	2.587	Asset	Property, plant and equipment	-	573	2012
Codelco Chile	Standarization of rainwater pools	In process	1.287	Asset	Property, plant and equipment	-	1.344	2012
Codelco Chile	Cold load system Cps N 2	In process	1.141	Asset	Property, plant and equipment	-	235	2012
Codelco Chile	Increase uptake Mp He	In process	5.389	Asset	Property, plant and equipment	-	1.616	2012
Codelco Chile	Cold load Mechanical System No. 1 and 3	In process	-	Asset	Property, plant and equipment	-	4.160	2013
Codelco Chile	Acid plants	In process	11.472	Expenditure	Administrative expenses	10.531	9.115	2012
Codelco Chile	Solid waste	In process	600	Expenditure	Administrative expenses	524	1.070	2012
Codelco Chile	Water treatment plant	In process	2.492	Expenditure	Administrative expenses	2.838	2.492	2012
	Radomiro Tomic		648			246	1.263	
Codelco Chile	Solid waste	In process	522	Asset	Property, plant and equipment	198	1.018	2012
Codelco Chile	Water treatment plant	In process	126	Expenditure	Administrative expenses	48	245	2012
Subtotal			94.541			92.937	154.189	
Total			174.938			163.847	654.646	